



**PROVINCE OF KWAZULU-NATAL**

**DEPARTMENT OF PUBLIC WORKS**

**TENDER NUMBER :MIDZNQ027/2016(UMZINYATHI DISTRICT)**

**DESCRIPTION OF GOODS/SERVICE:CLEARING OF OVERGROWTH OF  
VACANT SITES COMPRISING OF GRASS CUTTING AND DISPOSE THEREOF  
FOR THE PERIOD 4 MONTHS**

DEPARTMENT OF PUBLIC WORKS  
Private Bag X9963  
LADYSMITH  
3370

Project Leader: Mr. T. Ndlovu

Telephone: 036 638 8000

***PLEASE NOTE THAT THIS QUOTATION IS SUBJECT TO TREASURY REGULATIONS 16A ISSUED IN TERMS OF THE PUBLIC FINANCE MANAGEMENT ACT, 1999, THE KWAZULU-NATAL SUPPLY CHAIN MANAGEMENT POLICY FRAMEWORK & THE GENERAL CONDITIONS OF CONTRACT PRESCRIBED BY PROVINCIAL TREASURY.***

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## SECTION A INVITATION TO QUOTE

**YOU ARE HEREBY INVITED TO QUOTE FOR REQUIREMENTS OF THE DEPARTMENT OF PUBLIC WORKS, MIDLANDS REGIONAL OFFICE**

QUOTATION NUMBER: **MIDZNQ 027/2016**  
**11:00**

CLOSING DATE: **17 November 2016**

CLOSING TIME:

DESCRIPTION: CLEARING OF OVERGROWTH OF VACANT SITES COMPRISING OF GRASS CUTTING AND  
DISPOSE THEREOF

**The successful bidder will be required to fill in & sign a written Contract Form (SBD 7).**

QUOTATION DOCUMENTS MAY BE POSTED TO: **Private Bag X 9963  
LADYSMITH  
3370**

OR

DEPOSITED IN THE QUOTATION BOX SITUATED AT:  
**Department of Public Works, Midlands Regional Office  
40 Shepstone Road  
Ladysmith, 3370**

**Bidders should ensure that quotations are delivered timeously to the correct address. If the quotation is late, it will not be accepted for consideration.**

The quotation box is generally open 08 hours a day, from 07:30 till 16:00, Monday to Friday, excluding Public Holidays and Weekends

**ALL QUOTATIONS MUST BE SUBMITTED ON THE OFFICIAL FORMS – (NOT TO BE RE-TYPED)**

THIS QUOTATION IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT & THE PREFERENTIAL PROCUREMENT REGULATIONS, 2011, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT

**THE FOLLOWING PARTICULARS MUST BE FURNISHED  
(FAILURE TO DO SO MAY RESULT IN YOUR BID BEING DISQUALIFIED)**

NAME OF BIDDER .....  
POSTAL ADDRESS .....  
STREET ADDRESS .....  
TELEPHONE NUMBER CODE.....NUMBER.....  
CELLPHONE NUMBER .....  
FACSIMILE NUMBER CODE .....NUMBER.....  
E-MAIL ADDRESS .....  
VAT REGISTRATION NUMBER .....  
CENTRALSUPPLIERS DATABASE NUMBER .....  
HAS AN ORIGINAL & VALID TAX CLEARANCE CERTIFICATE OR TAX PIN BEEN SUBMITTED? (SBD 2) YES or NO  
HAS A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE BEEN SUBMITTED? (SBD 6.1) YES or NO  
IF YES, WHO WAS THE CERTIFICATE ISSUED BY?

- ☐ AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)  
☐ A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS);  
☐ A REGISTERED AUDITOR

[TICK APPLICABLE BOX]

**(A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE)**

ARE YOU THE ACCREDITED REPRESENTATIVE  
IN SOUTH AFRICA FOR THE GOODS / SERVICES / WORKS OFFERED?

YES or NO

[IF YES ENCLOSE PROOF]

SIGNATURE OF BIDDER

.....

DATE

.....

CAPACITY UNDER WHICH THIS BID IS SIGNED

TOTAL BID PRICE..... TOTAL      NUMBER      OF      ITEMS      OFFERED  
.....

---

**ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:**

**Department:**            **Department of Public Works**  
**Contact Person:**    **Andile Mbatha**  
**Tel:**                    **036 638 8096**  
**Fax:**                    **036 638 8099**  
**E-mail address:**    **andile.mbatha@kznworks.gov.za**

**ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:**

**Contact Person:**    **Department of Public Works**  
**Tel:**                    **036 638 8017**  
**Fax:**                    **036 638 8099**  
**E-mail address:**    **terrence.ndlovu@kznworks.gov.za**

## **SECTION B**

### **SPECIAL INSTRUCTIONS & NOTICES TO BIDDERS REGARDING THE COMPLETION OF FORMS**

PLEASE NOTE THAT THIS QUOTATION IS SUBJECT TO TREASURY REGULATIONS 16A ISSUED IN TERMS OF THE PUBLIC FINANCE MANAGEMENT ACT, 1999, THE KWAZULU-NATAL SUPPLY CHAIN MANAGEMENT POLICY FRAMEWORK & THE GENERAL CONDITIONS OF CONTRACT.

1. Unless inconsistent with or expressly indicated otherwise by the context, the singular shall include the plural & visa versa & with words importing the masculine gender shall include the feminine & the neuter.
2. Under no circumstances whatsoever may the quotation/bid forms be retyped or redrafted.
3. The bidder is advised to check the number of pages & to satisfy himself that none are missing or duplicated.
4. Quotation submitted must be complete in all respects.
5. Quotation shall be lodged at the address indicated not later than the closing time specified for their receipt, & in accordance with the directives in the quotation documents.
6. Each quotation shall be addressed in accordance with the directives in the quotation documents & shall be lodged in a separate sealed envelope, with the name & address of the bidder, the quotation number & closing date indicated on the envelope. The envelope shall not contain documents relating to any quotation other than that shown on the envelope. If this provision is not complied with, such quotations/bids may be rejected as being invalid.
7. All quotations received in sealed envelopes with the relevant quotation numbers on the envelopes are kept unopened in safe custody until the closing time of the quotation/bids. Where, however, a quotation is received open, it shall be sealed. If it is received without a quotation/bid number on the envelope, it shall be opened, the quotation number ascertained, the envelope sealed & the quotation number written on the envelope.
8. A specific box is provided for the receipt of quotations, & no quotation found in any other box or elsewhere subsequent to the closing date & time of quotation will be considered.
9. No quotation/bid sent through the post will be considered if it is received after the closing date & time stipulated in the quotation documentation, & proof of posting will not be accepted as proof of delivery.
10. No quotation submitted by telefax, telegraphic or other electronic means will be considered.
11. Quotation documents must not be included in packages containing samples. Such quotations may be rejected as being invalid.
12. Any alteration made by the bidder must be initialed.
13. Use of correcting fluid is prohibited
14. Quotation will be opened in public as soon as practicable after the closing time of quotation.
15. Where practical, prices are made public at the time of opening quotations.
16. If it is desired to make more than one offer against any individual item, such offers should be given on a photocopy of the page in question. Clear indication thereof must be stated on the schedules attached.

## SECTION C

### REGISTRATION ON THE CENTRAL SUPPLIERS DATABASE

1. In terms of the KwaZulu-Natal Supply Chain Management Policy Framework, all suppliers of goods & services to the Province of KwaZulu-Natal are required to register on the Provincial Suppliers Database.
2. If you wish to apply for registration, forms may be downloaded from the website, <http://www.csd.gov.za>.
3. If a business is registered on the Database & it is found subsequently that false or incorrect information has been supplied, then the Department may, without prejudice to any other legal rights or remedies it may have;
  - 3.1 de-register the supplier from the Database,
  - 3.2 cancel a bid or a contract awarded to such supplier, & the supplier would become liable for any damages if a less favourable bid is accepted or less favourable arrangements are made.
4. **The same principles as set out in paragraph 3 above are applicable should the supplier fail to request updating of its information on the Suppliers Database, relating to changed particulars or circumstances.**
5. Application for registration must be submitted to the Provincial Treasury. IF THE SUPPLIER IS NOT REGISTERED AT THE CLOSING TIME OF BID, THE SUPPLIER WILL BE DISQUALIFIED AT THE QUOTATION/BID EVALUATION PROCESS.
6. **REGISTRATION AS A CONTRACT CLEANING SERVICE PROVIDER**
  - 6.1 In terms of the scope of application of the Main Agreement as stipulated on the Government Gazette no, 34234, 29 April 2011, which reads as follows

“The terms of this Collective Agreement shall be observed in the Cleaning Services Industry in the Province of Natal as it existed immediately prior to the date of commencement of the Constitution of the Republic of South Africa, 1993 (Act no. 200 of 1993).

    - a) By all employers who are members of the employer’s organization and by all employees who are members of the trade unions; and
    - b) by all employers and employees, other than those referred to in paragraph a), who are engaged in the Cleaning Services Industry in the area specified.”

**N.B ONLY QUOTATIONS RECEIVED FROM SERVICE PROVIDERS WHO ARE REGISTERED WITH BCCCI or NCCA WILL BE CONSIDERED. BIDDERS ARE REQUIRED TO SUBMIT CERTIFIED COPIES OF THE COMPANY’S BCCCI REGISTRATION CERTIFICATES TOGETHER WITH THE QUOTATION/BID DOCUMENTATION TO THE RESPECTIVE DEPARTMENT INVITING QUOTATIONS/BIDS**

**SECTION D**  
**DECLARATION THAT INFORMATION ON CENTRAL SUPPLIER DATABASE IS CORRECT & UP TO DATE**  
(To be completed by bidder)

THIS IS TO CERTIFY THAT I (name of bidder/authorised representative).....

....., WHO REPRESENTS (state name of bidder).....

.....

AM AWARE OF THE CONTENTS OF THE KWAZULU-NATAL SUPPLIER DATABASE WITH RESPECT TO THE BIDDER'S DETAILS & REGISTRATION INFORMATION, & THAT THE SAID INFORMATION IS CORRECT & UP TO DATE AS ON THE DATE OF SUBMITTING THIS QUOTATION/BID.

AND I AM AWARE THAT INCORRECT OR OUTDATED INFORMATION MAY BE A CAUSE FOR DISQUALIFICATION OF THIS QUOTATION/BID FROM THE BIDDING PROCESS, AND/OR POSSIBLE CANCELLATION OF THE CONTRACT THAT MAY BE AWARDED ON THE BASIS OF THIS BID.

.....

**NAME OF BIDDER**

.....

**SIGNATURE OF BIDDER OR AUTHORISED REPRESENTATIVE**

**DATE:**.....

## SECTION E DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state<sup>1</sup>, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes an advertised competitive bid, a limited bid, a proposal or written price quotation). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-
- the bidder is employed by the state; and/or
  - the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation & or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts & persons who are involved with the evaluation & or adjudication of the bid.
2. **In order to give effect to the above, the following questionnaire must be completed & submitted with the bid.**
- 2.1 Full Name of bidder or his or her representative: .....
- 2.2 Identity Number:.....
- 2.3 Position occupied in the Company (director, trustee, shareholder<sup>2</sup>, member): .....
- 2.4 Registration number of company, enterprise, close corporation, partnership agreement or trust: .....
- 2.5 Tax Reference Number: .....
- 2.6 VAT Registration Number: .....
- 2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / PERSAL numbers must be indicated in paragraph 3 below.

<sup>1</sup>“State” means –

- (a) any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (b) any municipality or municipal entity;
- (c) provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

<sup>2</sup>“Shareholder” means a person who owns shares in the company & is actively involved in the management of the enterprise or business & exercises control over the enterprise.

- 2.7 Are you or any person connected with the bidder presently employed by the state? **YES / NO**
- 2.7.1 If so, furnish the following particulars:



Name of person / director / trustee / shareholder/ member: .....  
Name of state institution at which you or the person  
connected to the bidder is employed : .....  
Position occupied in the state institution: .....

Any other particulars:

.....  
.....  
.....  
.....

2.7.2 If you are presently employed by the state, did you obtain **YES / NO**  
the appropriate authority to undertake remunerative work  
outside employment in the public sector?

2.7.2.1 If yes, did you attach proof of such authority to the bid **YES / NO**  
document?

(Note: Failure to submit proof of such authority, where  
applicable, may result in the disqualification of the bid.

2.7.2.2 If no, furnish reasons for non-submission of such proof:  
.....  
.....  
.....

2.8 Did you or your spouse, or any of the company's directors / **YES / NO**  
trustees / shareholders / members or their spouses conduct  
business with the state in the previous twelve months?

2.8.1 If so, furnish particulars:  
.....  
.....  
.....

2.9 Do you, or any person connected with the bidder, have any **YES / NO**  
relationship (family, friend, other) with a person employed  
by the state & who may be involved with the evaluation  
& or adjudication of this bid?

2.9.1 If so, furnish particulars.  
.....  
.....  
.....

2.10 Are you, or any person connected with the bidder, **YES/NO**  
aware of any relationship (family, friend, other) between  
any other bidder & any person employed by the state  
who may be involved with the evaluation & or adjudication  
of this bid?

2.10.1 If so, furnish particulars.  
.....  
.....  
.....

2.11 Do you or any of the directors / trustees / shareholders / members **YES/NO**  
of the company have any interest in any other related companies  
whether or not they are bidding for this contract?

2.11.1 If so, furnish particulars:

.....  
.....  
.....

**3 Full details of directors / trustees / members / shareholders.**

Full Name	Identity Number	Personal Income Tax Reference Number	State Employee Number / Persal Number

**4 DECLARATION**

I, THE UNDERSIGNED (NAME).....

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 & 3 ABOVE IS CORRECT.  
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME SHOULD THIS DECLARATION  
PROVE TO BE FALSE.

.....  
**Signature**

.....  
**Date**

.....  
**Position**

.....  
**Name of bidder**

**SECTION F**  
**QUOTATION OFFER**  
(To be completed by bidder)

**MIDZNQ 027/2016**

1. BID PRICE INCLUDING VAT: R.....
2. AMOUNT IN WORDS: .....  
.....
3. TIME FOR COMPLETION/ DELIVERY: **04 CALENDER MONTHS**

<b>NAME OF BIDDER:</b> .....	<b>SIGNATURE</b> .....	<b>DATE:</b> .....
---------------------------------	---------------------------	-----------------------

**FOR OFFICE PURPOSES ONLY**

<b><i>IMPORTANT</i></b>
Mark appropriate block with "X"

- |  |     |    |  |
|--|-----|----|--|
| 1. HAVE ANY ALTERATIONS BEEN MADE?   | YES | NO |  |
| 2. HAS AN ALTERNATIVE BID BEEN SUBMITTED?  | YES | NO |  |
| 3. <b><i>IF APPLICABLE:</i></b> DID THE BIDDER ATTEND THE OFFICIAL BRIEFING SESSION/ COMPULSORY SITE INSPECTION? | YES | NO |  |

**SECTION G**  
**PRICING SCHEDULE – FIRM PRICES**  
**(PURCHASES)**

**NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED**

**IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT**

Name of bidder .....	Bid number: <b>MIDZNQ 027/2016</b>
Closing Time <b>11:00</b>	Closing date: <b>17 November 2016</b>

**1. SCOPE OF GOODS\SERVICE**

CLEARING OF OVERGROWTH OF VACANT SITES COMPRISING OF GRASS CUTTING AND DISPOSE THEREOF

**2. SPECIFICATION**

**Include detailed specification of supplies required together with quantities, prices etc.**

Item Number	Description of Supply and address for delivery	Qty	Price	Total
1.	VACANT LAND – RYLEYS HILL ZN52153 (9.0013H)			
2.	VACANT LAND – 20 MELVILLE STREET ( 4.4106H)			
3.	VACANT LAND – 132 HAJEE JAMAL STREET ZN52751 ( 3.4.63H)			
<b>Sub Total</b>				R
<b>Add Value Added Tax (14%)</b>				R
<b>Quotation Total</b> <i>(carried forward to Section G)</i>				R

OFFER TO BE VALID FOR **90 CALENDER DAYS** FROM THE CLOSING DATE OF BID.

**3. COMPULSORY REQUIREMENTS**

**NB: Failure to submit the following requirements with the proposal will disqualify the bidder's proposal**

- Letter of good standing or Letter of registration with Compensation for Occupational Injuries & Diseases Act of 1993 (COIDA) obtainable from the Department of Labour
- Valid Tax Clearance Certificate or SARS PIN
- Unemployment Insurance Fund proof of contributions or letter for tender purpose or letter of good standing obtainable from Department of Labour
- Certificate of Registration with BCCCI or NCCA

## **SECTION G**

### **SPECIAL CONDITIONS OF CONTRACT**

#### **1. DEFINITIONS**

- 1.1 “Department” means the Department of Works in the KwaZulu-Natal Provincial Administration.
- 1.2 “Head” means the officer appointed to the post of Head of the Department, who has signed this contract & shall include any person acting in that capacity.
- 1.3 “Contractor” means the person or persons, partnership, firm or company or close corporation, etc. whose quotation for this work has been accepted, & who has, or have, signed this Contract, & shall include his or her heirs, executors, administrators, successors, & any representative, duly appointed, with the consent in writing of the Employer.
- 1.4 “Team” means person or persons representing or acting on behalf of the Contractor in the execution of this Contract.
- 1.5 “Written instructions” means any printed, typed or written documents or letter signed by or on behalf of the Head & addressed to the Contractor for the purpose of his guidance, direction or instruction.

#### **2. DESCRIPTION OF SERVICE**

##### **CLEARING OF OVERGROWTH OF VACANT SITES COMPRISING OF GRASS CUTTING AND DISPOSE THEREOF**

#### **3. CONTRACT PERIOD**

- 3.1 The contract period is **04 Calendar months** from the date indicated on the letter of award but the Department reserves the right to extend the contract period for such period and on such terms as mutually agreed to and signed in writing between the parties.
- 3.2 It should be noted that in the event that the Department of Public Works wishes to take occupation of the site, or part thereof, for whatever reason, one calendar months’ written notice will be given to the successful firm to terminate this contract.

#### **4. GENERAL DUTIES**

- 4.1 The Contractor shall, in addition to the duties specifically stated herein, do & perform all acts, matters & things which are required to achieve the objectives set by the Department in respect of the services required & shall also give advice in regard to any matter in line with his duties upon which the Chief Financial Officer may from time to time require assistance.
- 4.2 Instructions, whether from the Chief Financial Officer, having an influence on the services required, shall be in writing. Should the instruction however be verbal, the Contractor must request that a written instruction be given & should no written instruction be received within seven days, the Contractor must confirm the instruction in writing to the Chief Financial Officer & such written confirmation will be regarded as a written instruction.
- 4.3 Written instructions changing the scope and/or other conditions of this Contract shall not vitiate the contract. Should the Contractor, however not be able to comply with a written instruction, or should compliance result in additional cost and/or staff, or reduction in cost & staff, related to this Contract, the Contractor must notify the Chief Financial Officer in writing within seven days, giving full details & costs.
- 4.4 The Contractor shall exercise all reasonable diligence & skill necessary for the proper & prompt execution of the duties called for & shall carry them out in accordance with the procedures of the Department at all times. The involvement of personnel of the Department in services related to the duties of the Contractor will in no way relieve the Contractor of responsibility in this regard.
- 4.5 The Contractor shall perform all duties as may be prescribed in these Conditions promptly, efficiently & in a manner that will safeguard the Province’s interests at all times & in due order & sequence.
- 4.6 Irrespective of the scope of this Contract being described as individual functions of Team members, the Contract remains the provisioning of services described in total & service delivery will not be subjected to the non-availability of individual members of the Team due to annual leave, strike, ill health & the like. Although the “Labour Act” may be

applicable to the Contractor it will not apply to the Department as far as the Team is concerned & the Contractor must arrange for suitably qualified & experienced replacements in order that the services are not jeopardized.

- 4.7 The contractor shall comply with all Statutory registration requirements for his employees & pay all rates, taxes, levies, etc. & in particular insure the employees against injury on duty, as no claims in this regard, for whatever reason, will be entertained.

## **5. EQUIPMENT**

- 5.1 Grass cutting equipment will not be provided and, should they be required by the Contractor on a permanent basis, they must be provided at the Contractor's own cost.
- 5.2 Cell phones, where required, must be provided at own cost by the Contractor

## **6. LANGUAGE MEDIUM**

The language medium for all documentation related to the Contract shall be in English.

## **7. PAYMENT**

- 7.1 Payment for services will be made monthly in accordance with the conditions determined in the Quotation price & at the particular tariffs/rates tendered & accepted. Where applicable, travelling to & from meetings & attending same will be taken as official hours actually worked.
- 7.2 Payment shall be made by the Department within thirty days after receipt of a monthly detailed invoice, based on the conditions as determined in 7.1 above. The invoice must include all cell phone, subsistence & transport claims for the same period & must be certified correct & due by the Chief Financial Officer or an authorised representative.

## **8. TRANSPORT ALLOWANCES**

- 8.1 The Contractor must provide all motor transport for his employees & payment for the official use of motor transport, i.e. not for private purposes & not from home to office & back, will be made in accordance with the Province's tariff for the relevant vehicles as prescribed from time to time & the policy is as follows:
- 8.1.1 The "allowances payable for the use of privately-owned vehicles on official business" as published from time to time by the National Department of Transport in terms of the Annexure to Transport Circular No. 1 of 1977 (Transport Handbook on Tariffs for the use of Motor Transport), as amended, form the basis for claims by the Regional Program Manager for reimbursement of Travelling Costs/Expenses.
- 8.1.2 The rates paid to the Contractor will be based on the engine capacity of the vehicle actually used, but will be limited to a maximum engine capacity of 1951 to 2150 cc.
- 8.1.3 The Contractor will be required to have obtained prior permission from the Head to use & claim expenses in respect of a "4x4 light delivery vehicle" or "bus".
- 8.1.4 It will be the responsibility of the KwaZulu-Natal Department of Transport to extract the relevant portion from the transport circular issued from time to time by the National Department of Transport, & to advise Provincial Departments of any new rates to be used for reimbursement of consultants travel costs, which are inclusive of a 35 % mark up as per Treasury authority dated 18 December 1998 – Ref: FT 10/2/1/11 (385 – 98/99).
- 8.2 Claims for transport expenses must reflect the dates on which the journeys were undertaken, the distances travelled, the type of vehicles used & the purpose of the trips.
- 8.3 In cases where use is made of hired vehicles, the most economically sized motorcar available is to be used but the Head shall nevertheless restrict recovery of such expenses to the cost of a hired motorcar of not exceeding 2150 cc in engine capacity.
- 8.4 Air travel for official purposes must be approved by the Department & will be arranged & paid for by the Department.
- 8.5 To minimise costs, it is expected that the employees of the Contractor and/or his staff and/or Departmental officials will travel together, where practicable, for the purpose of attending meetings.
- 8.6 Where journeys & costs are considered, in the Head's discretion to have been incurred unnecessary no claims for such costs will be considered.

## **9. SUBSISTENCE ALLOWANCES**

- 9.1 Subsistence allowances will be paid according to tariffs as laid down from time to time by the Head. Should the abovementioned tariff be inadequate, substantiated actual costs may be claimed with prior approval.
- 9.2 Subsistence allowances may only be claimed in respect of absence from office for every completed day of 24 hours at the prescribed daily subsistence rate & for every additional completed hour at the hourly subsistence rate.
- 9.3 Only actual costs are payable in respect of absence from office of less than 24 hours, provided the necessary substantiating invoices or receipts are submitted.
- 9.4 No payment for alcoholic beverages included in claims will be considered.

## **10. TERMINATION OF CONTRACT OR PART THEREOF**

- 10.1 The contract will terminate at the end of the contract period without any notice, unless prior written amendment has been made between the parties to extend the contract period.
- 10.2 Should the Contractor fail to exercise his duties with reasonable diligence or fails or neglects to meet his obligations in terms of this contract, the Head may request in writing the rectification of same within fourteen days. Should the Contractor, after fourteen days & in the sole discretion of the Head, continue to fail to exercise his duties with reasonable diligence or fails or neglects to meet his obligations in terms of this contract, it will be regarded as breach of contract & the Head may terminate the Contract without further notice. Should the said failure have caused damage to the Department then the Head shall be entitled, without prejudice to any other rights, to claim such damage from the Contractor.
- 10.3 The Head reserves the right, with due consultation, to replace any employee of the Contractor or the employees in total with Departmental officials or cease some or all of the functions of the Contractor & may terminate the services & therefore terminate the appointment of the Contractor and/or an employee(s) of the Contractor before the expiry of the contract period.
- 10.4 The Contractor may, upon reasonable notice & with due consultation & agreement by the Head, terminate the Contract or terminate the appointment of the Contractor and/or an employee(s) before the expiry of the contract period or replace them with new person/s that meet the criteria set in these Conditions. Should the Head, as the final authority, not agree with such premature termination and/or replacement, it will be regarded as breach of contract & Head may terminate the Contract in total or in part.
- 10.5 Should the composition of the Team or the Contractor's company profile at senior, partner or director level be changed during this appointment, whether by death, sickness or any other reason, or if his estate sequestrated or liquidated, or if he be placed under judicial management or an administration order is issued against him by any Court, it is incumbent on the Contractor or his representative to immediately notify the Head in writing. A response shall be given by the Head in writing & until such time the Contract shall remain in force. The Head, however, reserves the right to terminate the Contract with immediate effect & to appoint any other Contractor at his sole discretion.
- 10.6 The Contractor shall not have the right to assign or transfer any benefit or obligation under this Contract to a third party & no part of this contract may be sub-let to any other person without the prior approval of the Head. Failure to observe this condition shall entitle the Head to terminate this Contract.
- 10.7 In the event of premature termination of the contract or part thereof by one party of the Contract then, should such premature action cause the other party undue financial loss, save for any other breach of contract, a reasonable reimbursement shall be agreed upon & paid within thirty days after furnishing of proof of such loss.
- 10.8 In any event of termination of this Contract by any of the parties, for whatever reason, the Head will be entitled to the receipt of all documentation, papers & copies of computer disks with data & applicable software in the possession of the Contractor & related to the functions of the appointment.  
The Head furthermore reserves the right to use such documentation, etc., for the purposes of continuing the functions as envisaged by the Scope of the Contract in whichever way the Head deems necessary.
- 10.9 The Contractor or any of his staff or any associated person shall not divulge any information of any kind whatsoever during the validity of this Contract, or at any time thereafter to any person not officially concerned with the functions of the Department unless with prior written approval of the Head.

## **11. SETTLEMENT OF DISPUTES**

- 11.1 In case any dispute shall arise between the Department & the Contractor out of the interpretation of these Conditions,

such dispute shall, unless otherwise settled between the Head & the Contractor be first referred to a special committee for mediation appointed jointly by the Head & the Contractor.

- 11.2 Should either of the parties fail to accept the results of mediation, the Head shall, at his sole discretion decide whether to refer the matter to either litigation or arbitration. Should the latter course of action be decided upon, the arbitrator shall be appointed by the Head on recommendation of the President of the South African Association of Arbitrators & approval by the Minister for Works & the Contractor. Such approval may not be withheld without stated valid reason. The decision of the Arbitrator shall be final & binding on both parties.

## 12. PROCUREMENT PROCEDURE

The open procedure will be used to call for invitations for this Quotation/Bid.

## 13. METHOD OF QUOTATION/BID EVALUATION

For purposes of comparison and in order to ensure a meaningful evaluation, bidders must submit detailed information in substantiation of compliance to the evaluation criteria mentioned. Bidders are requested to attach any additional information to the bid documentation upon submission thereof.

This bid shall be evaluated in two stages. On the first stage, bids will be evaluated on functionality based on the criteria outlined below in this document. All bidders who score less than seventy (70) out of hundred (100) points for functionality will not be considered further. The second stage will be evaluating on preference points system of 80/20 as stipulated below in this document. The bidder who scores the highest preference points will be awarded the service. In the event that equal points are scored, paragraph 13.1 outlines on the procedure to be followed.

With regard to the awarding of points for functionality, the following criteria will be applicable:

Range of Values:	NE	P	A	G	VG	E
	0	1	2	3	4	5

**Where:**

**NE = Non Existent**

**P = Poor**

**A = Average**

**G = Good**

**VG = Very Good**

**E = Excellent**

Functionality Criteria

Functionality Criteria	Weighting Factor
<b>1 Experience of the bidder in grass cutting and dispose (waste collection) with all reference attached as supporting documentation (name of employer, start date and end date, contract value, contact person and contact number)</b>	<b>50</b>
<b>2 Detailed schedule of grass cutting equipment and disposal thereof that will be utilised for this service.</b>	<b>25</b>
<b>3 Execution method or project plan detailing how are you going to manage the service including time management and allocation of duties (duty sheets, duty roster, allocation of duties, etc. to be attached)</b>	<b>15</b>
<b>4 A contingency plan that stipulates actions to be taken if any activity detailed in the project plan is hampered.</b>	<b>10</b>
<b>Total</b>	<b>100</b>

The functionality criteria will be used as an elimination process and a bidder that scores less than **70** points out of **100** in respect of functionality will be regarded as having submitted a non-responsive proposal and will be disqualified. It should, however, be noted that this score will not be carried forward to form part of the final scoring process when preference points and price is calculated.

### 13.1 Evaluating using the Point System

- 13.1.1 The evaluation for the functionality, as the first stage of evaluation, will be evaluated individually by members of the Bid Evaluation Committee in accordance with the above mentioned functionality criteria.



- 13.1.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices & all unconditional discounts;
- 13.1.3 Points scored must be rounded off to the nearest 2 decimal places.
- 13.1.4 The bidder obtaining the highest number of total points for price and preference will be awarded the contract.
- 13.1.5 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 13.1.6 However, when functionality is part of the evaluation process & two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality.
- 13.1.7 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

## 13.2 Points Awarded for Price

### 13.2.1 THE 80/20 PREFERENCE POINT SYSTEMS

A maximum of 80 points is allocated for price on the following basis:

**80/20**

$$P_s = 80 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

$P_s$  = Points scored for comparative price of bid under consideration

$P_t$  = Comparative price of bid under consideration

$P_{\min}$  = Comparative price of lowest acceptable bid

### 13.3 Points awarded for B-BBEE Status Level of Contribution

- 13.3.1 In terms of Regulation 5 (2) & 6 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

<b>B-BBEE Status Level of Contributor</b>	<b>Number of points (80/20 system)</b>
1	20
2	18
3	16
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

- 13.3.2 Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification & issuing EMEs with B-BBEE Status Level Certificates.

- 13.3.3 Bidders other than EMEs must submit their original & valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- 13.3.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 13.3.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure & that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- 13.3.6 Tertiary institutions & public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- 13.3.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability & ability to execute the sub-contract.
- 13.3.8 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability & ability to execute the sub-contract.

#### 14. **SOCIO-ECONOMIC PREFERENCE GOALS**

The preference goals that will be utilized will be in accordance with the 80/20 preference point system as per the Provincial SCM Policy Framework.

#### 15. **BID DOCUMENTS**

Bidders are required to check the number of pages, & to check this document & annexure as listed in the index for any obvious omissions, indistinct duplication, errors, etc. & report same to **Nhlanhla Sikhakhane**

The whole of this quotation document, properly completed & priced, is to be returned before the closing date & time for quotations.

This quotation is subject to Treasury Regulations 16A issued in terms of the Public Finance Management Act, 1999, The KwaZulu-Natal Supply Chain Management Policy Framework & the General Conditions of Contract as prescribed by Provincial Treasury.

#### 16. **VALIDITY**

This quotation shall be valid for a period of **ninety (90) calendar days** calculated from the closing time specified.

## SECTION I QUESTIONNAIRE REPLIES

1. Are the prices/rates quoted firm? .....
2. Is the delivery period stated firm?  
.....
3. How will delivery be affected?  
.....
4. Is the equipment guaranteed for a minimum period of six months?  
.....
5. Are you the accredited agents in the RSA for the manufacture/supply of the goods offered by you?  
.....
6. What is the address in the RSA (preferably in the Province of KwaZulu-Natal) where a machine/goods as offered by you can be inspected under working conditions?  
.....
7. What is the approximate value of spares carried in stock in the RSA for this particular make & model of machine?  
.....
8. Where is stock held? .....
9. What facilities exist for the servicing of the machine/goods offered?  
.....
10. Where are these facilities available?  
.....
11. What are the names & addresses of the factories where the goods will be manufactured and, if required, inspected?  
.....
12. Is a special import permit required?  
.....

.....  
**SIGNATURE OF BIDDER**

.....  
**DATE**

N.B.: THIS FORM IS ONLY TO BE INCLUDED & COMPLETED WHEN APPLICABLE TO THE BID

**SECTION J**  
**OFFICIAL BRIEFING SESSION/SITE INSPECTION CERTIFICATE**

N. B.: THIS FORM IS ONLY TO BE INCLUDED & COMPLETED WHEN APPLICABLE TO THE BID.

Site/building/institution involved: **DEPARTMENT OF PUBLIC WORKS, MIDLANDS REGIONAL OFFICE, 40 SHEPSTONE ROAD, LADYSMITH**

Bid No.: **MIDZNQ 027/2016**

Service: **CLEARING OF OVERGROWTH OF VACANT SITES COMPRISING OF GRASS CUTTING AND DISPOSAL**

**THEREOF**

Date: N/A

Time: N/A

Venue: N/A

\*\*\*\*\*

THIS IS TO CERTIFY THAT (NAME) .....

ON BEHALF OF .....

ATTENDED THE OFFICIAL BRIEFING ON .....(DATE)

AND IS THEREFORE FAMILIAR WITH THE CIRCUMSTANCES & THE SCOPE OF THE SERVICE TO BE RENDERED.

.....  
**SIGNATURE OF BIDDER OR AUTHORISED REPRESENTATIVE**

**DATE:** .....

.....  
**SIGNATURE OF DEPARTMENTAL REPRESENTATIVE**

**DEPARTMENTAL STAMP :**  
(OPTIONAL)

**DATE:** .....

## SECTION K

### TAX CLEARANCE CERTIFICATE REQUIREMENTS

**It is a condition of a bid that the taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.**

1. In order to meet this requirement, bidders are required to complete in full the attached form TCC 001 "Application for a Tax Certificate" & submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders/individuals who wish to submit bids.
2. SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
3. The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original & valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.
4. In bids where Consortia/Joint Ventures/Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.
5. Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website [www.sars.gov.za](http://www.sars.gov.za).
6. Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website [www.sars.gov.za](http://www.sars.gov.za).

## SECTION L

### DECLARATION CERTIFICATE FOR LOCAL PRODUCTION & CONTENT

This Standard Bidding Document (SBD) must form part of all bids invited. It contains general information & serves as a declaration form for local content (local production & local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2011 & the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:201x.

#### 1. General Conditions

- 1.1. Preferential Procurement Regulations, 2011 (Regulation 9. (1) & 9. (3) make provision for the promotion of local production & content.
- 1.2. Regulation 9.(1) prescribes that in the case of designated sectors, where in the award of bids local production & content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production & content will be considered.
- 1.3. Regulation 9.(3) prescribes that where there is no designated sector, a specific bidding condition may be included, that only locally produced services, works or goods or locally manufactured goods with a stipulated minimum threshold for local production & content, will be considered.
- 1.4. Where necessary, for bids referred to in paragraphs 1.2 & 1.3 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production & content & the second stage price & B-BBEE.
- 1.5. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production & content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.6. The local content (LC) as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 201x as follows:

$$LC = 1 - \left( \frac{x}{y} \right) \times 100$$

Where

x            imported content

y            bid price excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by South African Reserve Bank (SARB) at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid as indicated in paragraph 4.1 below.

#### 1.7. A bid will be disqualified if:

- the bidder fails to achieve the stipulated minimum threshold for local production & content indicated in paragraph 3 below; and.
- this declaration certificate is not submitted as part of the bid documentation.

#### 2. Definitions

- 2.1. **“bid”** includes advertised competitive bids, written price quotations or proposals;
- 2.2. **“bid price”** price offered by the bidder, excluding value added tax (VAT);
- 2.3. **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
- 2.4. **“designated sector”** means a sector, sub-sector or industry that has been designated by the Department of Trade & Industry in line with national development & industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production & content;

- 2.5. **“duly sign”** means a Declaration Certificate for Local Content that has been signed by the Chief Financial Officer or other legally responsible person nominated in writing by the Chief Executive, or senior member / person with management responsibility(close corporation, partnership or individual).
- 2.6. **“imported content”** means that portion of the bid price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) & which costs are inclusive of the costs abroad, plus freight & other direct importation costs, such as landing costs, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry;
- 2.7. **“local content”** means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place;
- 2.8. **“stipulated minimum threshold”** means that portion of local production & content as determined by the Department of Trade & Industry; and
- 2.9. **“sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.

**SECTION M**  
**AUTHORITY TO SIGN A QUOTATION**

**A. COMPANIES**

If a Bidder is a company, a **certified copy of the resolution by the board of directors**, personally signed by the chairperson of the board, authorizing the person who signs this bid to do so, as well as to sign any contract resulting from this bid & any other documents & correspondence in connection with this bid and/or contract on behalf of the company must be submitted with this bid, that is before the closing time & date of the bid

**AUTHORITY BY BOARD OF DIRECTORS**

By resolution passed by the Board of Directors on.....20.....,

Mr./Mrs./Miss..... (whose signature appears below) has been duly authorized to sign all documents in connection with this bid on behalf of

(Name of Company) .....

**IN HIS/HER CAPACITY AS:** .....

**SIGNED ON BEHALF OF COMPANY:** .....

**SIGNATURE OF SIGNATORY:** ..... **DATE:** .....

**WITNESSES:** 1 .....

2 .....

**B. SOLE PROPRIETOR (ONE - PERSON BUSINESS)**

I, the undersigned..... hereby confirm that I am the sole owner of the business trading as .....

.....

.....  
**SIGNATURE** ..... **DATE** .....

**C. PARTNERSHIP**

The following particulars in respect of every partner must be furnished & signed by every partner:

Full name of partner	Residential address	Signature
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....

We, the undersigned partners in the business trading as.....  
hereby authorized .....to sign this bid as well as any contract resulting from the bid & any other documents & correspondence in connection with this bid & /or contract on behalf of



.....  
**SIGNATURE**

.....  
**SIGNATURE**

.....  
**SIGNATURE**

.....  
**DATE**

.....  
**DATE**

.....  
**DATE**

**D. CLOSE CORPORATION**

In the case of a close corporation submitting a bid, a **certified copy of the Founding Statement** of such corporation shall be included with the bid, **together with the resolution by its members** authorizing a member or other official of the corporation to sign the documents on their behalf.

By resolution of members at a meeting on ..... 20..... at .....

.....Mr./Mrs./Miss....., whose  
signature appears below, has been authorized to sign all documents in connection with this bid on behalf of (Name of Close Corporation) .....

.....  
**SIGNED ON BEHALF OF CLOSE CORPORATION:** .....

**IN HIS/HER CAPACITY AS** ..... **DATE:** .....

**SIGNATURE OF SIGNATORY:** .....

**WITNESSES:** 1 .....  
.....

2 .....  
.....

**E CO-OPERATIVE**

A **certified copy of the Constitution** of the co-operative must be included with the bid, **together with the resolution by its members** authoring a member or other official of the co-operative to sign the bid documents on their behalf.

By resolution of members at a meeting on ..... 20..... at .....

Mr./Mrs./Miss....., whose signature appears below, has been authorized to sign all documents in connection with this bid on behalf of (Name of co-operative).....

**SIGNATURE OF AUTHORISED REPRESENTATIVE/SIGNATORY:**

.....

**IN HIS/HER CAPACITY AS:**.....

**DATE:** .....

**SIGNED ON BEHALF OF CO-OPERATIVE:**.....

**NAME IN BLOCK LETTERS:**.....

**WITNESSES:** 1 .....

2 .....

**F JOINT VENTURE**

If a bidder is a joint venture, a certified copy of the resolution/agreement passed/reached signed by the duly authorized representatives of the enterprises, authorizing the representatives who sign this bid to do so, as well as to sign any contract resulting from this bid & any other documents & correspondence in connection with this bid and/or contract on behalf of the joint venture must be submitted with this bid, before the closing time & date of the bid.

**AUTHORITY TO SIGN ON BEHALF OF THE JOINT VENTURE**

By resolution/agreement passed/reached by the joint venture partners on.....20.....

Mr./Mrs./Miss.....,Mr./Mrs./Miss.....,

Mr./Mrs./Miss.....and Mr./Mrs./Miss.....

(whose signatures appear below) have been duly authorized to sign all documents in connection with this bid on behalf of:

(Name of Joint Venture).....

**IN HIS/HER CAPACITY AS:**.....

**SIGNED ON BEHALF OF (COMPANY NAME):**.....

**SIGNATURE :**..... **DATE:**.....

**IN HIS/HER CAPACITY AS:**.....

**SIGNED ON BEHALF OF (COMPANY NAME):**.....

**SIGNATURE:**..... **DATE:**.....

**IN HIS/HER CAPACITY AS:**.....

**SIGNED ON BEHALF OF (COMPANY NAME):**.....

**SIGNATURE:**..... **DATE:**.....

**IN HIS/HER CAPACITY AS:**.....

**SIGNED ON BEHALF OF (COMPANY NAME):**.....

**SIGNATURE:**..... **DATE:**.....

**G. CONSORTIUM**

If a bidder is a consortium, a certified copy of the resolution/agreement passed/reached signed by the duly authorised representatives of concerned enterprises, authorising the representatives who sign this bid to do so, as well as to sign any contract resulting from this bid & any other documents & correspondence in connection with this bid and/or contract on behalf of the consortium must be submitted with this bid, before the closing time & date of the bid.

**AUTHORITY TO SIGN ON BEHALF OF THE CONSORTIUM**

By resolution/agreement passed/reached by the consortium on.....20...

Mr/Mrs/Miss.....

(whose signature appears below) have been duly authorized to sign all documents in connection with this bid on behalf of:

(Name of Consortium).....

**IN HIS/HER CAPACITY AS:**.....

**SIGNATURE:**..... **DATE:**.....

## SECTION N CONDITIONS OF QUOTATION

1. I/We hereby bid to supply all or any of the supplies and/or to render all or any of the services described in the attached documents to the KwaZulu-Natal Provincial Administration (hereinafter called the "Province") on the terms & conditions & be in accordance with the specifications stipulated in the bid documents (and which shall be taken as part of & be incorporated into this bid) at the prices & on the terms regarding time for delivery and/or execution inserted therein.
2. I/we agree that:
  - (a) the offer herein shall remain binding upon me & open for acceptance by the Province during the validity period indicated & calculated from the closing time of the bid;
  - (b) this bid & its acceptance shall be subject to Treasury Regulations 16A issued in terms of the Public Finance Management Act, 1999, the KwaZulu-Natal Supply Chain Management Policy Framework, the Provincial Treasury issued Practice Notes, & the KwaZulu-Natal General Conditions of Contract, with which I/we am fully acquainted;
  - (c) if I/we withdraw my bid within the period for which I/we have agreed that the bid shall remain open for acceptance, or fail to fulfill the contract when called upon to do so, the Province may, without prejudice to its other rights, agree to the withdrawal of my bid or cancel the contract that may have been entered into between me & the Province. I/we will then pay to the Province any additional expenses incurred by the Province having either to accept any less favourable bid or, if fresh bids have to be invited, the additional expenditure incurred by the invitation of fresh bids & by the subsequent acceptance of any less favourable bid. The Province shall have the right to recover such additional expenditure by set-off against monies which may be due to me under this or any other bid or contract or against any guarantee or deposit that may have been furnished by me or on my behalf for the due fulfillment of this or any other bid or contract & pending the ascertainment of the amount of such additional expenditure to retain such monies, guarantee or deposit as security for any loss the Province may sustain by reason of my default;
  - (d) if my bid is accepted, the acceptance may be communicated to me by registered post, & that the South African Post Office Limited shall be treated as delivery agent to me;
  - (e) the law of the Republic of South Africa shall govern the contract created by the acceptance of my bid & I choose *domicilium citandi et executandi* in the Republic at (full physical address) :  
.....  
.....
3. I/we furthermore confirm that I/we have satisfied myself as to the correctness & validity of my bid: that the price(s), rate(s) & preference quoted cover all of the work/item(s) & my obligations under a resulting contract, & I accept that any mistakes regarding the price(s) & calculations will be at my risk.
4. I/we hereby accept full responsibility for the proper execution & fulfillment of all obligations & conditions devolving on me under this agreement, as the Principal(s) liable for the due fulfillment of this contract.
5. I/we agree that any action arising from this contract may in all respects be instituted against me & I/we hereby undertake to satisfy fully any sentence or judgment which may be pronounced against me as a result of such action.
6. I/we confirm that I/we have declared all & any interest that I or any persons related to my business has with regard to this bid or any related bids by completion of the Declaration of Interest Section.

### 7. CERTIFICATION OF CORRECTNESS OF INFORMATION SUPPLIED IN THIS DOCUMENT

I/we, THE UNDERSIGNED, WHO WARRANT THAT I AM DULY AUTHORISED TO DO SO ON BEHALF OF THE BIDDER, CERTIFY THAT THE INFORMATION SUPPLIED IN TERMS OF THIS DOCUMENT IS CORRECT & TRUE, THAT THE SIGNATORY TO THIS DOCUMENT IS DULY AUTHORISED & ACKNOWLEDGE THAT:

(1) The bidder will furnish documentary proof regarding any bidding issue to the satisfaction of the Province, if requested to do so.

(2) If the information supplied is found to be incorrect and/or false then the Province, in addition to any remedies it may have, may:-

- (a) Recover from the contractor all costs, losses or damages incurred or sustained by the Province as a result of the award of the contract, and/or
- (b) Cancel the contract & claim any damages which the Province may suffer by having to make less favourable arrangements after such cancellation.

SIGNED ON THIS..... DAY OF.....20.....AT.....

.....  
SIGNATURE OF BIDDER OR DULY NAME IN BLOCK LETTERS  
AUTHORISED REPRESENTATIVE

ON BEHALF OF (BIDDER'S NAME) .....

CAPACITY OF SIGNATORY .....  
NAME OF CONTACT PERSON (IN BLOCK LETTERS, PLEASE) .....

.....  
POSTAL ADDRESS .....

.....

TELEPHONE NUMBER.....

FAX NUMBER:.....

CELLULAR PHONE NUMBER:.....

E-MAIL ADDRESS:.....

**SECTION O**  
**DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES**  
 (To be completed by Bidder.)

- 1 This Standard Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by institutions in ensuring that when goods & services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be disregarded if that bidder, or any of its directors have-
  - a. abused the institution's supply chain management system;
  - b. committed fraud or any other improper conduct in relation to such system; or
  - c. failed to perform on any previous contract.
- 4 **In order to give effect to the above, the following questionnaire must be completed & submitted with the bid.**

Item	Question	Yes	No
4.1	<p>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</p> <p>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</p> <p><b>The Database of Restricted Suppliers now resides on the National Treasury's website(<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) &amp; can be accessed by clicking on its link at the bottom of the home page.</b></p>	<p>Yes</p> <input type="checkbox"/>	<p>No</p> <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention &amp; Combating of Corrupt Activities Act (No 12 of 2004)?</p> <p><b>The Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b></p>	<p>Yes</p> <input type="checkbox"/>	<p>No</p> <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	<p>Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?</p>	<p>Yes</p> <input type="checkbox"/>	<p>No</p> <input type="checkbox"/>
4.3.1	If so, furnish particulars:		

4.4	Was any contract between the bidder & any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		

**CERTIFICATION**

**I, THE UNDERSIGNED (FULL NAME).....**  
**CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS TRUE & CORRECT.**

**I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.**

.....  
**Signature**

.....  
**Date**

.....  
**Position**

.....  
**Name of Bidder**

**SECTION P**  
**SCHEDULE VARIATIONS FROM GOODS OR SERVICES INFORMATION**

Should the Bidder wish to make any departure from or modification in the Special Conditions of Contract, Specifications, Schedule list of Prices/ Quantities/ Drawings or to qualify the bid in any way, he/she shall indicate the proposals clearly hereunder or alternatively make photocopies of the original quotation/bid documentation.

[illegible]

**SIGNATURE OF BIDDER:** .....

**DATE:** .....



## SECTION R

### CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Standard Bidding Document (SBD) must form part of all bids<sup>1</sup> invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship & if it involves collusive bidding (or bid rigging).<sup>2</sup> Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Treasury Regulation 16A9 prescribes that accounting officers & accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system & authorizes accounting officers & accounting authorities to:
- a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system & or committed fraud or any other improper conduct in relation to such system.
  - b. cancel a contract awarded to a supplier of goods & services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
- 4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed & submitted with the bid:

<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids & proposals.

<sup>2</sup> Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods & / or services for purchasers who wish to acquire goods & / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.

## CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

**MIDZNQ017/2015: CLEARING OF OVERGROWTH OF VACANT SITES COMPRISING OF GRASS CUTTING AND  
AND DISPOSE THEREOF**

(Bid Number & Description)

In response to the invitation for the bid made by:

**DEPARTMENT OF PUBLIC WORKS, MIDLANDS REGIONAL OFFICE**

(Name of Institution)

do hereby make the following statements that I certify to be true & complete in every respect:

I certify, on behalf of: \_\_\_\_\_ that:

(Name of Bidder)

1. I have read & I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true & complete in every respect;
3. I am authorized by the bidder to sign this Certificate, & to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, & to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate & the accompanying bid, I understand that the word “competitor” shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - (a) has been requested to submit a bid in response to this bid invitation;
  - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - (c) provides the same goods & services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, & without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
  - (a) prices;
  - (b) geographical area where product or service will be rendered (market allocation)
  - (c) methods, factors or formulas used to calculate prices;
  - (d) the intention or decision to submit or not to submit, a bid;
  - (e) the submission of a bid which does not meet the specifications & conditions of the bid; or
  - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications & conditions or delivery particulars of the products or services to which this bid invitation relates.

9. The terms of the accompanying bid have not been, & will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date & time of the official bid opening or of the awarding of the contract.

<sup>3</sup> Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill & knowledge in an activity for the execution of a contract.

10. I am aware that, in addition & without prejudice to any other remedy provided to combat any restrictive practices related to bids & contracts, bids that are suspicious will be reported to the Competition Commission for investigation & possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 & or may be reported to the National Prosecuting Authority (NPA) for criminal investigation & or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention & Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder

## ANNEXURE A

### GENERAL CONDITIONS OF CONTRACT

**DEFINITIONS:** The following terms shall be interpreted as indicated:

- (a) “Closing time” means the date & hour specified in the bidding documents for the receipt of bids.
- (b) “Contract” means the written agreement entered into between the Province & the Contractor, as recorded in the contract form signed by the parties, including all attachments & appendices thereto & all documents incorporated by reference therein.
- (c) “Contract price” means the price payable to the Contractor under the contract for the full & proper performance of his contractual obligations.
- (d) “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
- (e) “Countervailing duties” are imposed in cases where an enterprise abroad is subsidized by its government & encouraged to market its products internationally.
- (f) “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial & major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- (g) “Day” means calendar day.
- (h) “Delivery” means delivery in compliance with the conditions of the contract or order.
- (i) “Delivery ex stock” means immediate delivery directly from stock actually on hand.
- (j) “Delivery into consignees store or to his site” means delivery & unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the Contractor bearing all risks & charges involved until the supplies are so delivered & a valid receipt is obtained.
- (k) “Dumping” occurs when a private enterprise abroad market its goods & services on own initiative in the RSA at lower prices than that of the country of origin & which have the potential to harm the local industries in the RSA.
- (l) “Force majeure” means an event beyond the control of the Contractor & not involving the Contractor’s fault or negligence & not foreseeable. Such event may include, but is not restricted to, acts of the Province in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions & freight embargoes.
- (m) “Fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, & includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels & to deprive the bidder of the benefits of free & open competition.
- (n) “GCC” mean the General Conditions of Contract.
- (o) “Goods” means all the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- (p) “Imported content” means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the Contractor or his subcontractors) & which costs are inclusive of the costs abroad, plus freight & other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation & handling charges to the factory in the Republic, where supplies covered by the bid will be manufactured.
- (q) “Local content” means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- (r) “Manufacture” means the production of products in a factory using labour, materials, components & machinery & includes other related value-adding activities.

- (s) “Order” means an official written order issued for the supply of goods or works or the rendering of a service.
- (t) “Project site” where applicable, means the place indicated in bidding documents.
- (u) “Province” means the procuring Department, incorporating the KwaZulu-Natal Provincial Legislature.
- (v) “Republic” means the Republic of South Africa.
- (w) “SCC” means the Special Conditions of Contract.
- (x) “Services” means those functional services ancillary to the supply of the goods, such as transportation & any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance & other such obligations of the Contractor covered under the contract.
- (y) “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.

## **1. CESSION OF CONTRACTS**

- 1.1 The Contract is personal to the Contractor who shall not sub-let, assign, cede or make over the Contract or any part thereof, or any share of interest therein, to any other person without the written consent of the Province, & on such conditions as it may approve.
- 1.2 This sub-clause shall not apply to sub-contracts given to regular suppliers of the Contractor for materials & minor components relating to the goods or services supplied. The Province reserves the right to require the Contractor to submit, for noting, the names of such sub-contractors in order to ascertain their registration on the Provincial Suppliers Database & they must be legal entities.

## **2. DISCREPANCIES**

Should there appear to be any discrepancies, ambiguities or want of agreement in description, dimensions, qualities or quantities in the Contract, the Contractor shall be obliged to refer the matter to the Provinces’ Representative for a decision, before proceeding to execute the Contract or part thereof in respect of which the said discrepancies, ambiguities or want of agreement appear to exist.

## **3. QUALITY & GUARANTEE**

- 3.1 All Goods supplied shall be equal in all respects to samples, patterns or specifications where such are provided. Any changes to quality or brands will have to be approved by the Province, as this is a change to the conditions of the contract.
- 3.2 Should the Province, after the award of the Contract and/or during the manufacture of the goods specified, decide on a variation or alteration to the specification, either at the suggestion of the Contractor or otherwise, which will be to the Province’s advantage, such variation or alteration shall be performed to the Province’s satisfaction. Any variation in the Contract Price arising there from shall be subject to agreement between the Province & the Contractor.
- 3.3 The Contractor shall not be relieved of his obligations with respect to the sufficiency of the materials & workmanship & the quality of the Goods supplied by the reason of no objection having been taken thereto by the Province’s Representative at the time the Goods were delivered.
- 3.4 The Contractor warrants that the goods supplied under the contract are new, unused, of the most recent or current models, & that they incorporate all recent improvements in design & materials unless provided otherwise in the contract. The Contractor further warrants that all goods supplied under this contract shall have no defect, arising from design, materials or workmanship (except when the design and/or material is required by the purchaser’s specifications) or from any act or omission of the Contractor, that may develop under normal use of the supplied goods in the conditions prevailing in the country of the final destination.
- 3.5 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to & accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in the Special Conditions of Contract.
- 3.6 The Province shall promptly notify the Contractor in writing of any claims arising under this warranty. The Contractor shall immediately remedy the said defect free of cost to the Province. Should the Contractor delay remedial work in excess of time stipulated by the Province’s representative, the Province may have such remedial work executed at the

Contractor's expense. Should the Province decide that the defect is such that it cannot be remedied, the Goods may be rejected. Such rejected goods shall be held at the risk & expense of the Contractor & shall, on request of the Province, be removed by him immediately on receipt of notification of rejection. The Contractor shall be responsible for any loss the Province may sustain by reason of such action as the Province may take, in terms of this clause.

- 3.7 The risk in respect of the Goods purchased by the Province under the contract shall remain with the Contractor until such goods have been delivered to the Province.
- 3.8 The principle feature of the Goods & Work are described in the Goods or Services Information, but the Goods or Services Information does not purport to indicate every detail of construction, fabrication or arrangements of Goods & Works necessary to meet the requirements. Omission from the Goods or Services information of reference to any part or parts shall not relieve the Contractor of his responsibility for carrying out the Work as required under the Contract.
- 3.9 If any dispute arises between the Province & the Contractor in connection with the quality & guarantee of the Goods, either party may give the other notice in writing of the existence of such dispute, & the same shall thereupon be referred to arbitration in South Africa by a person mutually agreed upon by both parties. The submission shall be deemed to be a submission to arbitration within the meaning of the terms of the arbitration laws in force in the Republic of South Africa.

#### **4. FAILURE TO COMPLY WITH CONDITIONS & DELAYED EXECUTION**

- 4.1 If a bidder amends or withdraws his/her/their bid after the closing time but before the bidder is notified that his/her/their bid has been accepted, or when notified that his/her/their bid has been accepted, he/she/they fail/fails, within the period stipulated in the conditions of bid or such extended period as the Province may allow, to sign a contract or to provide security when requested to do so, he/she/they shall, unless the Province decides otherwise, & without prejudice to any other right which the Province may have under paragraphs 4.2 & 4.4, including the right to claim damages if a less favourable bid is accepted or less favourable arrangements are to be made, forfeit any deposit which may have been made with the bid.
- 4.2 Should the contractor fail to comply with any of the conditions of the contract, the Province shall be entitled, without prejudice to any of its other rights, to cancel the contract.
- 4.3 Upon any delay beyond the contract period in the case of a supplies contract, the Province shall, without cancelling the contract, be entitled forthwith to purchase supplies of a similar quality & up to the same quantity in substitution of the goods not supplied in conformity with the contract & to return any supplies delivered later at the contractor's expense & risk, or forthwith to cancel the contract & buy such supplies as may be required to complete the contract, & without prejudice to its rights, be entitled to claim damages from the contractor.
- 4.4 Upon any delay beyond the contract period in the case of a service contract, the Province shall, without prejudice to any other right & without cancelling the contract, be entitled forthwith to arrange the execution of the service not rendered in conformity with the contract or to cancel the contract, & without prejudice to its other rights, be entitled to claim damages from the contractor.
- 4.5 In the event of the Province availing itself of the remedies provided for in paragraph 4.2 -
- 4.5.1 the contractor shall bear any adverse difference in price of the said supplies services & these amounts plus any other damages which may be suffered by the Province, shall be paid by the contractor to the Province immediately on demand, or the Province may deduct such amounts from moneys (if any) otherwise payable to the contractor in respect of supplies or services rendered or to be rendered under the contract or under any other contract or any other amounts due to the contractor; or
- 4.5.2 if the Contractor fails to supply the goods or render the service within the period stipulated in the contract, the Province shall have the right, in its sole discretion, to claim any damages or loss suffered.
- 4.6 No damages shall be claimed in respect of any period of delay which the contractor can prove to be directly due to a state of war, sanctions, strikes, lockouts, damage to machinery as a result of accidents, fire, flood or tempest or act of God, which could not be foreseen or overcome by the contractor, or to any act or omission on the part of persons acting in any capacity on behalf of the Province.
- 4.7 If the delivery of the supplies or the rendering of the service is likely to be delayed or is in fact being delayed on account of any of the reasons mentioned in paragraph 4.6, full particulars of the circumstances shall be reported forthwith in writing to the Province & at the same time the contractor shall indicate the extension of the delivery period

#### **5. PATENTS**

- 5.1 The Contractor shall pay all royalties & expenses & be liable for all claims in respect of the use of patent rights, trademarks or other protected rights, & hereby indemnifies the Province against any claims arising there from.
- 5.2 The Contractor shall indemnify the Province against all third-party claims of infringement of patent, trademark, or industrial design rights arising from the use of the goods or any part thereof by the Province.

## **6. PACKAGING, MARKING & DELIVERY**

- 6.1 All goods shall be crated, packed or battened securely in such a manner as to prevent damage during loading, transport & off-loading. Unless otherwise specified, packing cases & packing materials are included in the Contract Price, & shall be & remain the property of the Province.
- 6.2 All goods shall be clearly marked in the manner stated in the Goods or Services Information.
- 6.3 Goods shall be delivered to the address within the Province's area of jurisdiction as set out in the Special Conditions of Contract or Goods & Services Information.
- 6.4 Goods shall be delivered on Weekdays between 08:00 & 16:00, free of all charges, only when ordered upon an official letter or form of order issued by the Province. No goods will be received on Saturdays, Sundays & public holidays. This paragraph (6.4) is applicable only when not excluded in the Special Conditions of Contract.
- 6.5 Goods delivered shall in all cases be accompanied by delivery notes in duplicate, one which will be retained by the Province. The Contractor shall be responsible for the safe delivery as to the quality, quantity & condition of the goods.
- 6.6 Delivery, unless otherwise provided for in the Special Conditions of Contract, shall be affected within seven (7) days from receipt of the order. The Contractor shall advise the Province upon receipt of an order in writing of any anticipated delays, citing reasons therefore & put forward a new anticipated delivery date. The Province may then extend the delivery date, if & as it deems fit.
- 6.7 Should the Contractor fail to supply the material within the time stated in his bid, or within the extended time allowed to him in terms of clause 6.6 hereof, the Province reserves the right (after giving the Contractor seven days notice in writing) to cancel the contract & purchase the materials elsewhere & the bidder shall refund to the Province any extra cost incurred over & above the contract price. No liability shall, however, be attached to the Contractor if delivery of materials is rendered impossible or delayed by reason of circumstances beyond the Contractor's control.
- 6.8 If the Contractor cannot produce proof satisfactory to the Province that the delay was due to circumstances beyond his control, no price increase after the due date will be recognized.
- 6.9 If at any time the Province ascertains that, due to negligence of the Contractor or for reasons beyond his control:
- 6.9.1 No work on the order has been commenced & in the opinion of the Province, there is little or no prospect of work being commenced in reasonable time;
- 6.9.2 Delivery of any materials is being or is likely to be delayed beyond the delivery date promised, and/or
- 6.9.3 There is little or no prospect of the order being completed within a reasonable time after the promised date; the Province may, by notice to the Contractor in writing, cancel as from the future date specified in such notice, the whole or any part of the order in respect of which material has not been delivered by that date without incurring any liability by reasons of such cancellation. The cases where circumstances beyond the control of the Contractor have delayed commencement or completion of the order, cancellation of the order will be effected by mutual arrangement or where this is not possible by the decision of the Province. The Contractor shall then as soon as possible after such date deliver to the Province that part of the order which has been completed, & payment is to be effected is for the part performance on a proportional basis, subject to the uncompleted part not being an integral or essential part of the contract.
- 6.10 Should a price other than an all-inclusive price be required, this shall be specified in the SCC.

## **7. CONSIGNMENT OF GOODS**

- 7.1 Goods, if delivered by Spoornet may be consigned carriage paid in the Contractor's name, care of the Province to the place of delivery stipulated, but not in the name of the State. Goods consigned to stores located in areas which Spoornet may refuse to deliver, must be done so care of a local agent or to a local depot from which they may be re-delivered by road to such stores.

- 7.2 Contractors shall arrange with Spoornet to deliver goods to the Province's stores during the hours & on the days that the stores are open.
- 7.3 The Province will not be responsible for any damage, re-delivery charges or any other charges raised by Spoornet.
- 7.4 Claims on the South African Transport Services or on any other carrier in respect of weight, quantity, damage or loss, shall be made by the Contractor.

## **8. PAYMENT**

- 8.1 The Contractor shall furnish the Province with an invoice accompanied by a copy of the delivery note upon fulfilment of other obligations stipulated in the contract.
- 8.2 Payments shall be made promptly by the Province, but in no case later than thirty days (30) days after submission of an invoice or claim by the Contractor.
- 8.3 Payments will be made in Rand unless otherwise stipulated.
- 8.4 Payments for goods are made by the Province only. Any disputes regarding late or delayed payments must be taken up with the department & if a problem persists, the Supply Chain Management Office can be requested to investigate the delays.

## **9. INVOICES**

All invoices submitted by the Contractor must be Tax Invoices indicating quantity ordered & quantity delivered, the amount of tax charged & the total invoice amount.

## **10. CONTRACT PRICE ADJUSTMENT**

- 10.1 Firm contract prices shall not be subject to adjustment. contract prices which are not firm shall be increased or reduced by the amount of variation between the Cost to Bidder & the actual cost to the Contractor, such variations to be subject to the following conditions:-
- 10.1.1 Where the Cost to Bidder was based on a printed catalogue or list price, the variation shall be the difference between that price list & the price list actually charged. Should it transpire that the Cost to Bidder was not based on the latest available price list at the Date of Bid, the Province shall have the right to elect the price list on which any variation shall be based.
- 10.1.2 Where the Cost to Bidder was based on a quotation by the manufacturer, or where the Contractor is the manufacturer, & the Contract Price was based on the cost of materials & labour ruling at a certain date, the variation in the Contract Price shall be calculated by means of the Steel & Engineering Industries Federation of South Africa (SEIFSA) formula if this is stipulated in the Contract, or if the Province's representative considers it to be appropriate. Where the use of the SEIFSA formula is not appropriate, the variation shall be calculated by means of another formula acceptable to the Province, which shall be indicated in the Special Conditions of Contract.
- Only those cost increases due to wage increases prescribed by regulating measures having the force of law, or increases in the cost of materials & railage as may be proven by documentary evidence, or published data, will be considered in determining Contract Price variation.
- 10.1.3 Any difference between Rates & Charges ruling at the time of bid & those actually paid by the Contractor will be for the account of the Province. The Contract Price adjustment arising from any variation in Rates & Charges shall, in every instance, be applied to the appropriate value, or tonnage, of the Goods shipped. Where a variation in the Cost to bidder has been allowed, the contract price shall be adjusted by the product of such variation & every component of Rates & Charges which is based on the value of the Goods, whether or not the costs of such components have varied.
- 10.1.4 No claim for increased costs will be entertained if the Contractor is unable to produce documentation to substantiate Cost to Bidder & Rates & Charges on which the contract price was based & documentation to support his claim. Such documentation must, in the opinion of the Province, adequately support the Contractor's claim. No claim for increased costs to the Contractor arising from negligence on his part, or that of the manufacturer, will be considered.
- 10.1.5 The Contractor shall, in respect of every consignment or shipment of Goods delivered, supply to the Province's Representative documentary evidence of variation, if any, in Cost to Bidder & Rates & Charges.



- 10.1.6 Claims for increased cost shall be submitted with the invoice for the Goods in respect of which the claim is made, or as soon thereafter as possible. Claims shall not be considered if received more than 90 days after the expiry of the Contract unless notice of intention to claim has been given to the Province before such date.
- 10.1.7 In the event of there being no claim by the Contractor for increased costs, the Contractor shall not be entitled to full payment under the Contract before he has submitted to the Province, in his own name or in the name of the manufacturer, a certificate declaring that there have been no adjustments in the cost of manufacture which entitle the Employer to a reduction in the Contract Price as provided for in this clause.

## **11. REMEDIES IN THE CASE OF DEATH, SEQUESTRATION, LIQUIDATION OR JUDICIAL MANAGEMENT**

- 11.1 In the event of the death of a contractor or the provisional or final sequestration of his/her/their estate or of his/her/their cession or transfer of a contract without the approval of the Province or of the surrender of his/her/their estate or of his/her/their reaching a compromise with his/her/their creditors or of the provisional or final liquidation of a contractor's company/closed corporation or the placing of its affairs under judicial management, the Province may, without prejudice to any other rights it may have, exercise any of the following options :
- 11.1.1 cancel the contract & accept any of the bids which were submitted originally with that of the contractor or any offer subsequently received to complete the contract. In such a case the estate of the contractor shall not be relieved of liability for any claim which has arisen or may arise against the contractor in respect of supplies not delivered or work not carried out by the contractor, under the contract.
- 11.1.2 Allow the executor, trustee, liquidator or judicial manager, as the case may be, for & on behalf of & at the cost & expense of the estate of the contractor to carry on with & complete the contract.
- 11.1.3 For & on behalf of & at the cost & expense of the estate of the contractor, itself carry on with & complete the contract & in that event the Province may take over & utilize, without payment, the contractor's tools, plant & materials in whole or in part until the completion of the contract.
- 11.2 Should the Province elect to act in terms of paragraph 11.1.3 it shall give notice of its requirements to the executor, trustee, liquidator or judicial manager of the contractor's estate & should the said executor, trustee, liquidator or judicial manager fail within 14 days of the dispatch of such notice to make provision to the satisfaction of the Province for the fulfillment of such requirements, or should no trustee, liquidator or judicial manager be appointed within 14 days of the occurrence mentioned in paragraph 11.1, the Province may apply any remedy open to it in terms of the contract as if a breach thereof had taken place.
- 11.3 Should the Province act in terms of paragraph 11.1.3 the contractor must leave the premises immediately & may not occupy such premises on account of retention or any other right.

## **12. LAW TO APPLY**

The Contract shall in all respects be construed in accordance with the law of the Republic of South Africa, & any difference that may arise with the law of the Republic of South Africa, & any difference that may arise between the Province & the Contractor in regard to the Contract, shall be settled in the Republic of South Africa.

## **13. OFFERING OF COMMISSION OR GRATUITY**

If the Contractor, or any person employed by him, is found to have either directly or indirectly offered, promised or given to any office bearer of the Province or person in the employ of the Province, any commission, gratuity, gift or other consideration, the Province shall have the right, summarily & without recourse to law & without prejudice to any other legal remedy which it may have in regard to any loss or additional cost or expenses, to cancel the Contract without paying any compensation to the Contractor.

## **14. PREFERENCES**

- 14.1 Should the Contractor apply for preferences in the submission of his bid, & it is found at a later stage that these applications were incorrect or made under false pretences, the Province may, at its own right:-
- 14.1.1 Recover from the Contractor all costs, losses or damages incurred or sustained by the Province as a result of the award of the Contract; & / or

14.1.2 Cancel the contract & claim any damages which the Province may suffer by having to make less favourable arrangements after such cancellation.

14.1.3 The Province may impose penalties, however, only if provision therefore is made in the Special Conditions of Bid.

## **15. WEIGHTS & MEASURES**

The quantities of goods offered or delivered shall be according to South African standard weights & measures.

## **16. SECURITY**

16.1 Special Conditions of Contract relating to Surety/Guarantee requirement must be dealt with in strict compliance with the Conditions of Bid set out herein.

16.2 In respect of contracts less than R 500 000, the guarantees & sureties required may be based on a risk evaluation conducted by the Province inviting the bid.

16.3 No deposits are required for bid applications for contracts below R 500 000.

## **17. ORDERS**

17.1 Goods shall be delivered & services rendered only upon receipt of a written official order or the signing of a contract with the Province, & accounts shall be rendered as indicated on the official order or in the contract, as the case may be.

17.2 The Province reserves the right to call upon any Contractor during the contract period to make known the following details:

17.2.1 Name of Institution placing order;

17.2.2 Provincial official order number;

17.2.3 Quantity ordered; and

17.2.4 List of items ordered.

## **18. EXPORT LICENCES**

18.1 When orders are placed for goods in respect of which an export license from the country of origin of supplies is required, the Contractor shall:

18.1.1 Not incur any direct or indirect costs in connection with the supply or dispatch of such supplies before he has obtained such license;

18.1.2 If the government of the country from which the supplies are to be exported refuses, or fails to grant such license within three months of the placing of the order, the order shall be considered to be cancelled & no liability will be accepted for any loss or expenses irrespective of the nature thereof, including loss or expenditure suffered or incurred by the Contractor or any other person in respect of the production, supply, transportation or delivery of such supplies.

## **19. INSURANCE**

19.1 The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage & delivery in the manner specified in the SCC.

19.2 Any insurance policies taken out by a Contractor to cover goods delivered for a contract must be taken out with a company registered in South Africa in terms of relevant insurance & companies acts.

## **20. INSPECTION, TESTS & ANALYSES**

20.1 In terms of Provincial policy, inspections of a Bidder's goods & services are permitted. Bidders & Contractors must allow reasonable access to premises to officials from the department inviting the bid, or person specially appointed by the Province to carry out inspection or tests. There are two main categories: Firstly, where the bid conditions call for goods

to be inspected during the contract period. Secondly, where the inspection results are to be submitted with the bid document.

- 20.2 If it is a bid condition that goods to be produced should at any stage during production or on completion be subject to inspection, the premises of the Contractor shall be open, at all reasonable hours, for inspection by a representative of the Province or of an organization acting on its behalf.
- 20.3 Inspections tests & analyses may be carried out prior to dispatch in regard to such contract goods as may be deemed necessary by the Province, & the Contractor shall provide, if required, all the required facilities for the inspection, tests & analyses of the goods free of charge & shall, if required, provide all the materials, samples & labour & available apparatus which may be required for the purposes of such inspection, tests & analyses free of charge, unless otherwise specified.
- 20.4 If there are no inspection requirements in the bid documents & no mention thereof is made in the letter of acceptance, but during the contract it is decided that inspections shall be carried out, the Province shall itself make the necessary arrangements, including payment arrangements, with the testing authority concerned. The premises of the Bidder Contractor must be open & accessible at all reasonable times for the purposes of these tests.
- 20.5 If the inspection, tests & analyses show the goods or service to be in accordance with contract requirements, the cost of the inspection, tests & analyses shall be defrayed by the Province calling for such tests or analyses. Where the supplies or services do not comply with the contract, the costs shall be defrayed by the Contractor & the Province shall have the right, without prejudice to any other legal remedy it may have, to deduct such costs from payments due to the Contractor under the contract or under any other contract.
- 20.6 Goods & services which do not comply with the contract requirements may be rejected.
- 20.7 Any goods may on or after delivery be inspected, tested or analyzed & may be rejected if found not to comply with the requirements of the contract, & such rejected goods shall be held at the cost & risk of the Contractor who shall, when called upon, remove them immediately at his own cost & forthwith substitute them for goods which do comply with the requirements of the contract, failing which such rejected goods shall be returned at the Contractor's cost & risk. Should the Contractor fail to provide the substitute goods forthwith, the Province may, without giving the Contractor a further opportunity to substitute the rejected goods, purchase such supplies as may be necessary at the expense of the Contractor, for example, the transport costs & other expenses regarding the rejected goods must be refunded by the Contractor.
- 20.8 Where imported goods are to be inspected before delivery, the Contractor shall notify his suppliers abroad of the conditions applicable to inspections.
- 20.9 Provisions contained in sub-clause 20.1 & 20.8 shall not prejudice the right of the Province to cancel the contract on account of a breach of the conditions thereof.

## **21. RESTRICTION OF BIDDING**

Without prejudice on any other legal remedies, the Province may impose restrictions on a Bidder in terms of which bids to the Province will not be accepted for such period as determined by the Province. This information may be passed to other provinces or State organizations in the Republic of South Africa. These restrictions may be imposed in terms of the breach of any of the requirements to be met in terms of the accepted bid or contract. The Province may also make a restriction on a bidder from another province or State institution applicable to this Province.

## **22. CONTRACTOR'S LIABILITY**

- 22.1 In the event of the contract being cancelled by the Province in the exercise of its rights in terms of these conditions, the Contractor shall be liable to pay to the Province any losses sustained and/ or additional costs or expenditure incurred as a result of such cancellation, & the Province shall have the right to recover such losses, damages or additional costs by means of set-off from monies due or which may become due in terms of the contract or any other contract or from guarantee provided for the due fulfillment of the contract and, until such time as the amount of such losses, damages or additional costs have been determined, to retain such monies or guarantee or any deposit as security for any loss which the Province may suffer or may have suffered.
- 22.2 The Contractor may be held responsible for any consequential damages & loss sustained which may be caused by any defect, latent or otherwise, in supply or service rendered or if the goods or service as a result of such defect, latent or otherwise, does not conform to any condition or requirement of the contract.

## **23. PRICE LISTS**

Price lists which are part of the contract shall not be amended without the approval of the Province, unless the SCC specify otherwise.

## **24. SUBMISSION OF CLAIMS**

- 24.1 Claims must be submitted within 90 days of the delivery date of items, but the delivery date will be calculated according to the delivery period stipulated in terms of the contract, unless an extension for late delivery has been granted by the Province.
- 24.2 For period contracts, no price increase will be granted within the first 180 days of the contract period. No price increase applications which are submitted later than 90 days after the contract period expired will be considered. The claims shall be accompanied by documentary proof and, if required, an auditor's report sustaining the claim shall be provided.
- 24.3 Claims referring to formulae & indices must be clearly set out in terms of indices or formulae values used to calculate the bid price, & the adjusted indices or values.

## **25. PROVINCIAL PROPERTY IN POSSESSION OF A CONTRACTOR**

- 25.1 Province's property supplied to a Contractor for the execution of a contract remains the property of the Province & shall at all times be available for inspection by the Province or its representatives. Any such property in the possession of the Contractor on the completion of the contract shall, at the Contractor's expense, be returned to the Province forthwith.
- 25.2 The Contractor shall be responsible at all times for any loss or damages to the Province's property in his possession and, if required, he shall furnish such security for the payment of any such loss or damages as the Province may require.

## **26. RIGHTS TO PROCURE OUTSIDE THE CONTRACT**

- 26.1 The Province reserves the right to procure goods outside the contract in cases of urgency or emergency or if the quantities are too small to justify delivery costs, or if the goods are obtainable from another organ of Province or if the Contractor's point of supply is not situated at or near the place where the goods are required or if the Contractor's goods are not readily available.
- 26.2 No provision in a contract shall be deemed to prohibit the obtaining of goods or services from a Province or local authority.

## **27. AMENDMENT OF CONTRACT**

No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid & of any force & effect unless such agreement to amend or vary is entered into in writing & signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing.

## **28. NOTICES**

- 28.1 Every written acceptance of a bid shall be posted to the supplier/bidder concerned by registered or certified mail & any other notice to him/her/it shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him/her/it in writing & such posting shall be deemed to be proper service of such notice.
- 28.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting such notice.

## **29. INCIDENTAL SERVICES**

- 29.1 The Contractor may be required to provide any or all of the following services, including additional services, if any, specified in the Special Conditions of Bid:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
  - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
  - (c) furnishing of a detailed operations & maintenance manual for each appropriate unit of the supplied goods;
  - (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the Contractor of any warranty obligations under this contract; and
  - (e) training of the Province's personnel, at the Contractor's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

- 29.2 Prices charged by the Contractor for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties & shall not exceed the prevailing rates charged to other parties by the Contractor for similar services.

### **30. USE OF CONTRACT DOCUMENTS & INFORMATION INSPECTION**

- 30.1 The Contractor shall not, without the Province's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the Province in connection therewith, to any person other than a person employed by the Contractor in the performance of the contract. Disclosure to any such employed person shall be made in confidence & shall extend only so far as may be necessary for purposes of such performance.
- 30.2 The Contractor shall not, without the Province's prior written consent, make use of any document or information mentioned in GCC clause 30.1 except for purposes of performing the contract.
- 30.3 Any document, other than the contract itself mentioned in GCC clause 30.1 shall remain the property of the Province & shall be returned (all copies) to the Province on completion of the Contractor's performance under the contract of so required by the Province.
- 30.4 The Contractor shall permit the Province to inspect the Contractor's records relating to the performance of the Contractor & to have them audited by auditors appointed by the Province, if so required by the Province.

### **31. SPARE PARTS**

- 31.1 If specified in SCC, the Contractor may be required to provide any or all of the following materials, notifications, & information pertaining to spare parts manufactured or distributed by the Contractor:
- (a) such spare parts as the Province may elect to purchase from the Contractor, provided that this election shall not relieve the Contractor of any warranty obligations under the contract.
  - (b) In the event of termination of production of the spare parts:
    - (i) Advance notification to the Province of the pending termination, in sufficient time to permit the Province to procure needed requirements; and
    - (ii) Following such termination, furnishing at no cost to the Province, the blueprints, drawings, & specifications of the spare parts, if requested.

### **32. PENALTIES**

- 32.1 Subject to GCC Clause 4, if the Contractor fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the Province shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of delayed goods or unperformed services, using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The Province may also consider termination of the contract in terms of the GCC.

### **33. ANTI-DUMPING & COUNTERVAILING DUTIES & RIGHTS**

- 33.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the Contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the Contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

### **34. GOVERNING LANGUAGE**

The contract shall be written in English. All correspondence & other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

### **35. TAXES & DUTIES**

- 35.1 A foreign Contractor shall be entirely responsible for all taxes, stamp duties, licence fees, & other such levies imposed outside the Province's country.
- 35.2 A local Contractor shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the Province.

- 35.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Province must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

**36. PROHIBITION OF RESTRICTIVE PRACTICES**

- 36.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship & if a bidder (s) is / are or a contractor(s) was / were involved in collective bidding (or bid rigging).
- 36.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice above, the purchaser may refer the matter to the Competition Commission for investigation & possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.
- 36.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition & without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, & / or terminate the contract in whole or part, & / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years & / or claim damages from the bidder(s) or contractor(s) concerned.

**ANNEXURE B**  
**PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT**  
**REGULATIONS 2011**

This preference form must form part of all bids invited. It contains general information & serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

**NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS & DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2011.**

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**1. GENERAL CONDITIONS**

1.1 The following preference point systems are applicable to all bids:

- the 80/20 system for requirements with a Rand value of up to R1 000 000 (all applicable taxes included); &
- the 90/10 system for requirements with a Rand value above R1 000 000 (all applicable taxes included).

1.2 The value of this bid is estimated not to exceed R1 000 000 (all applicable taxes included) & therefore the **80/20** system shall be applicable.

1.3 Preference points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contribution.

1.3.1 The maximum points for this bid are allocated as follows:

	<b>POINTS</b>
<b>1.3.1.1 PRICE</b>	<b>80</b>
<b>1.3.1.2 B-BBEE STATUS LEVEL OF CONTRIBUTION</b>	<b>20</b>
<b>Total points for Price &amp; B-BBEE must not exceed</b>	<b>100</b>

1.4 Failure on the part of a bidder to fill in and/or to sign this form & submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS) or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or an Accounting Officer as contemplated in the Close Corporation Act (CCA) together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.5. The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

**2. DEFINITIONS**

2.1 “**all applicable taxes**” includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions & skills development levies;

2.2 “**B-BBEE**” means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;

2.3 “**B-BBEE status level of contributor**” means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

2.4 “**bid**” means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;

- 2.5 **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- 2.6 **“comparative price”** means the price after the factors of a non-firm price & all unconditional discounts that can be utilized have been taken into consideration;
- 2.7 **“consortium or joint venture”** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill & knowledge in an activity for the execution of a contract;
- 2.8 **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
- 2.9 **“EME”** means any enterprise with an annual total revenue of R5 million or less.
- 2.10 **“Firm price”** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty & any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor & demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 2.11 **“functionality”** means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical & useful, working or operating, taking into account, among other factors, the quality, reliability, viability & durability of a service & the technical capacity & ability of a bidder;
- 2.12 **“non-firm prices”** means all prices other than “firm” prices;
- 2.13 **“person”** includes a juristic person;
- 2.14 **“rand value”** means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, & includes all applicable taxes & excise duties;
- 2.15 **“sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
- 2.16 **“total revenue”** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act & promulgated in the *Government Gazette* on 9 February 2007;
- 2.17 **“trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- 2.18 **“trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

### **3. ADJUDICATION USING A POINT SYSTEM**

- 3.1 The bidder obtaining the highest number of total points will be awarded the contract.
- 3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices & all unconditional discounts;.
- 3.3 Points scored must be rounded off to the nearest 2 decimal places.
- 3.4 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 3.5 However, when functionality is part of the evaluation process & two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality.
- 3.6 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

### **4. POINTS AWARDED FOR PRICE**

#### **4.1 THE 80/20 PREFERENCE POINT SYSTEMS**



A maximum of 80 points is allocated for price on the following basis:

**80/20**

$$P_s = 80 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

$P_s$  = Points scored for comparative price of bid under consideration

$P_t$  = Comparative price of bid under consideration

$P_{\min}$  = Comparative price of lowest acceptable bid

## 5. Points awarded for B-BBEE Status Level of Contribution

- 5.1 In terms of Regulation 5 (2) & 6 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

<b>B-BBEE Status Level of Contributor</b>	<b>Number of points (80/20 system)</b>
1	20
2	18
3	16
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

- 5.2 Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification & issuing EMEs with B-BBEE Status Level Certificates.
- 5.3 Bidders other than EMEs must submit their original & valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- 5.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 5.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure & that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- 5.6 Tertiary institutions & public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.

- 5.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability & ability to execute the sub-contract.
- 5.8 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability & ability to execute the sub-contract.

## 6. BID DECLARATION

- 6.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

## 7. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.3.1.2 & 5.1

- 7.1 B-BBEE Status Level of Contribution..... = ..... (maximum of 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 & must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or an Accounting Officer as contemplated in the CCA).

## 8 SUB-CONTRACTING

- 8.1 Will any portion of the contract be sub-contracted? YES / NO (delete which is not applicable)

### 8.1.1 If yes, indicate:

- (i) what percentage of the contract will be subcontracted? .....%
- (ii) the name of the sub-contractor? .....
- (iii) the B-BBEE status level of the sub-contractor? .....
- (iv) whether the sub-contractor is an EME? YES / NO (delete which is not applicable)

## 9 DECLARATION WITH REGARD TO COMPANY/FIRM

- 9.1 Name of company/firm ..... :

- 9.2 VAT registration number :

- 9.3 Company registration number .....

### 9.4 TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
- ☐ One person business/sole propriety
- ☐ Close corporation
- ☐ Company
- ☐ (Pty) Limited

[TICK APPLICABLE BOX]

### 9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

9.6 COMPANY CLASSIFICATION

- ☐ Manufacturer  
☐ Supplier  
☐ Professional service provider  
☐ Other service providers, e.g. transporter, etc.  
[TICK APPLICABLE BOX]

9.7 Total number of years the company/firm has been in business? .....

9.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contribution indicated in paragraph 7 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown & I / we acknowledge that:

- (i) The information furnished is true & correct;
- (ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form.
- (iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 7, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- (iv) If the B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
- (a) disqualify the person from the bidding process;
- (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
- (c) cancel the contract & claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
- (d) restrict the bidder or contractor, its shareholders & directors, or only the shareholders & directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the audi alteram partem (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution

**WITNESSES:**

1. ....

.....  
SIGNATURE(S) OF BIDDER(S)

2. ....

DATE: .....

ADDRESS: .....

.....

.....