APPOINTMENT OF AN INTERNAL AUDIT AND WHISTLEBLOWING ANTI-FRAUD HOTLINE SERVICE PROVIDER FOR A PERIOD OF THREE (3) YEARS BID NO: AGRISETA/10/2019

Closing date and time: 23 January 2020 at 11:00

Bid Validity Period: 120 days

TENDER BOX ADDRESS:
AgriSETA House
529 Belvedere Street, Arcadia, 0083
TEL: 012 301 5600
EMAIL: quotations@agriseta.co.za
WEBSITE: www.agriseta.co.za
1. INTRODUCTION

AgriSETA is listed under Schedule 3 Part A of the PFMA as a public entity. Enabling a skilled and prosperous Agricultural sector. The entity is enacted through the Skills Development Act of 1997 Chapter 3, Section 9

Various Legislations are also applicable in the business operations of the SETA, such as the following:

- National Student Financial Aid Scheme Act, 1999 (Act No. 56 of 1999) (NSFAS Act)
- Skills Development Levies Act, 1999 (Act No.9 of 1999) (SDL Act)
- Public Finance Management Act
- All related Regulations of this Acts
- National Treasury Regulations
- National Treasury Frameworks for Strategic Plans (SP) and Annual Performance Plans (APP)

2. BACKGROUND TO AGRISETA

The Agricultural Sector Education and Training Authority (AgriSETA) is a statutory body established through the Skills Development Act of 1998 to enable its stakeholders to advance the skills levels in the sector in accordance to government’s growth initiatives. Additional information can be obtained from the following website: www.agriseta.co.za

3. BACKGROUND TO THIS ASSIGNMENT

AgriSETA is seeking to appoint a suitably independent and qualified service provider who is located in South Africa to support AgriSETA in fulfilling the Internal Audit and Whistleblowing Anti-Fraud Hotline services. The Internal Audit Services and whistleblowing anti-fraud hotline are fully outsourced with no internal resources.

4. THE PROJECT SCOPE FOR INTERNAL AUDIT SERVICES

- The service provider is required to provide Internal Audit services and to manage queries received from the Whistleblowing Antifraud Hotline. Internal Audit Services should be provided in line with Internal Audit Standard of South Africa. The assigned internal auditors should be registered with the Institute of Internal Auditors.
- Implementation and execution of a rolling three-year strategic Internal Audit Plan based on its assessment of key areas of risk for the AgriSETA, having regard to its current operations.
- **Organisational status of Internal Audit**
  
  The Internal Audit will report to the Audit and Risk Management Committee of the AgriSETA and will promote and ensure:
  
  - The independence of internal audits
  - Broad risk based audit coverage
  - Adequate consideration of audit reports and
  - The implementation of audit recommendations
• Assist in the improvement of operations proposed in the AgriSETA’s corporate or strategic plan and effectiveness of its risk management strategy through risk based audits which are in line with IIA standards;

• Execution of the annual plan that encompasses amongst others the following audits:
  o Regularity audits including financial, compliance, cyclical audits
  o Performance audits;
  o IT audits.

• Compilation of audit engagement letters indicating the objectives, scope, cost, timelines and resources assigned to each audit in the annual internal audit;

• Audit file preparation and documentation;

• Quality assurance of all deliverables to ensure that audit engagements are in line with the audit methodology and quality deliverables are produced.

• Assist with the development of the annual audit plan to ensure alignment to the revised risk register and taking into account combined assurance;

• Conduct internal audits as per the approved annual internal audit plan for the periods agreed upon as well as assisting with ad-hoc management requests and any other investigations approved by the audit committee;

• Perform any other additional investigation or assurance services as when requested by management and Audit and Risk Management Committee.

• Develop the internal audit strategy;

• Develop the internal audit methodology;

• Assist the AgriSETA in reviewing a combined assurance model, framework, policy, implementation plan and work closely with the external auditors and other assurance providers to ensure synergy of approach, with a view to minimal duplication of effort and to obtain reliance on work performed.

• Assist the AgriSETA in ensuring readiness for the external quality assurance in compliance with the IIASA standards.

• **Timing of assignment**
  o The Annual Internal Audit plan shall be presented and agreed to by the Audit and Risk Management Committee at its meeting before the commencement of any work. Furthermore, the final responsibility of approving the scope and extend of the work resides with the Audit and Risk Management Committee

• **Quality assurance reviews of the work**
  o The Internal Audit shall ensure that all work conforms to the relevant standards for the Professional Practice of Internal Auditing (Institute of Internal Auditors). Such work shall further be subjected

• **Independence and Objectivity of audit staff**
  o In carrying out the work, the Internal Auditor must ensure that their employees maintain their objectivity and independence by remaining independent of the activities they audit.

• Discuss audit coverage with management and the Audit and Risk Management Committee

• Perform internal audits in compliance with the International Professional Practices Framework (IPPF)

• Monitor the clearing and implementation of the Auditor General’s audit findings and recommendations.

• Report on the findings to the Management and secure comments before presenting to the Audit and Risk Management Committee

• Attend Audit and Risk Management Committee meetings and provide feedback on Internal Audits completed, the management of risks including a regular overview of the control environment
• Provide overall annual conclusion on the audited control environment for the Audit Committee.

5. THE PROJECT SCOPE FOR WHISTLEBLOWING SERVICES

• To provide AgriSETA with a fraud hotline call centre which will operate 365 days for 24 hours a day, to enable AgriSETA employees, contractors, supplies and other stakeholders to raise concerns relating to unlawful, irregular and or suspicious fraudulent or corrupt related activities or conducts;

• To provide the following communications mediums for the fraud hotline:
  o A toll free telephone number;
  o A toll free fax number
  o A secure email address; and
  o A web based address

• To provide fraud hotline call centre that will be handled by a call operator who will transcribe the information provided and void any identification data of the caller;

• The information transcribed on to the call sheet will be transmitted to AgriSETA Chief Risk Officer, who will be responsible for taking action on the information received from such reports.

• Conduct workshop(s) on the use of hotline as and when it is required by the AgriSETA twice (2) a year as well as highlighting the various types of information

• To provide whistle-blowers with a reference, case, or identification number should they wish to seek feedback from the service provider regarding possible information supplied to the service provider by the client in response to their original reporting;

• Ensure whistle-blowers’ confidentiality in respect of third parties should they expressly request that their identity be revealed to the client, thus waiving their anonymity;

• To provide the Whistle-Blower with feedback, on how the case is being investigated and the final findings of the case as per the reference number provided;

• Conduct one awareness workshop to AgriSETA National office on its product during the roll-out inception phase;

• Provide incidents reports within 72 hours to AgriSETA Risk Management Specialist;

• Provide quarterly reports of fraud hotline activities and other services rendered in relation to the scope of work;

• Ensure compliance of their services to South African legislation such as Protected Disclosure Act 26 of 2000;
6. COMPETENCY AND EXPERTISE REQUIREMENTS

The successful provider will have to comply with the following competencies:

- The organization responding must have a proven track record (minimum 10 years) of providing Internal Audit and Risk Management in public entities or state owned enterprises. References should be provided.
- Demonstrate its capabilities and capacity to perform the defined services.
- The organization must have a thorough understanding of the recent trends in the Auditing sector in South Africa (registered in terms of the Auditing Profession Act or the Institute for Internal Auditors (IIA))
- The organization must have CIA, CA, IT auditor, CFE or CISA that is in a management role whose membership is in good standing with IIA
- The organization must have a qualified IT Auditor (CISA), who may perform IT audits as required
- Understanding of the Standards of Professional Practice in Internal Auditing (SPPIA) and that of Institute of Certified Fraud Examiners; and relevant standards around fraud and corruption.

- Previous and current experience in operating fraud hotline call centre

MINIMUM REQUIRED INFORMATION

- The proposal should outline the service providers’ ethics line and investigation methodology and demonstrated its ability to be flexible to the needs of the AgriSETA
- Detailed curriculum vitae (CV) of key personnel that could be carrying assigned projects when requested.
- The minimum requirement for Investigators should be Certified Fraud Examiner (CFE) or equivalent qualification in the Investigation field coupled with three to five years of practical experience in Investigations; and
- Company background and track record in similar projects, 5 Contactable references including the confirmation letters

7. TECHNICAL APPROACH

Bidders must, at least:

- Describe, in detail, exactly how they propose to carry out the functions to achieve the outcomes identified in the terms of reference. They should identify any possible problems that might hinder delivery and indicate how they will avoid, or overcome such problems.
- Describe how the work will be managed. Provide an organization chart clearly indicating:
  - The lines of reporting and supervision with the bidder’s team
  - The lines of reporting between the bidder and AgriSETA
  - Identify the position(s) involved in the direct delivery of the service to be provided and in the overall management of the work and name the people who will fill these positions.
  - Describe the tasks, duties or functions to be performed by staff in these positions.
  - Indicate the number of hours required to complete each function and the number of hours to be provided by each team member.
  - Bidders are to present such information in a matrix.
8. **PRICING**

- Service Providers are urged to submit full cost of rendering the service for the period specified. The contract will not allow for price adjustments, as it is envisaged to be a 3-year contract.
- Bidders must provide a cost breakdown for both Whistle blowing and Internal Audit services.
- The price proposal attached as SBD 3.3 should be completed and signed by the bidders.
- Ceiling price should include both the Internal Audit and Whistle blowing services.

9. **DURATION OF THE CONTRACT**

The contract will be from 01 April 2020 to 31 March 2023 with an option to extend for an additional 2 years.

10. **MANDATORY REQUIREMENTS**

Failure to comply with the following mandatory requirements will invalidate the bid:

- The organization must have a certified auditor (CIA, CA or CISA) that is in a management role whose membership is in good standing with IIA

**COMPULSORY BRIEFING SESSION**

A compulsory briefing session will be held at the AgriSETA Offices No: 529 Belvedere street Arcadia Pretoria 0001 on 08 January 2020 at 11:00. Failure to attend the compulsory site inspection will render your bid offer invalid.

11. **EVALUATION CRITERIA**

The following evaluation method will be used:

- After the closing date of the bid invitation, an appointed evaluation committee of AgriSETA officials and possibly other external parties will evaluate the proposals of the bidders.
- The committee will individually evaluate each of the bid proposals received against the appointed criteria as provided for in Preferential Procurement Regulations, 2017

All proposals submitted will be evaluated on three categories:

- Functionality (technical content)
- Price
- B-BBEE status level of contribution
Bids will be evaluated in accordance with the Preferential Procurement Regulations, 2017, using the 80/20 split. The 80/20 preference points system applies for acquisition of goods or services for Rand value equal or above R30 000 and up to R50 million.

Firstly, the assessment of functionality will be done in terms of the evaluation criteria and the minimum threshold value of 70 points. A bid will be disqualified if it fails to meet the minimum threshold value for functionality as per the bid invitation.

A Bid Evaluation Committee will review and evaluate the proposals. A maximum of four (3) bidders may be invited to present their proposal for the purpose of providing clarification and answers to questions by the committee. If presentations are necessary they will be made on the date, time and location to be confirmed.

Thereafter, only the qualifying bids after the presentation will be evaluated in terms of the 80/20 preference points systems, 80 points will be used for price only and the 20 points will be used for B-BBEE Status Level of Contribution. The price points will be calculated in accordance with the formula prescribed in Regulation 6. (1) of the Preferential Procurement Regulations, 2017.

A recommendation for the awarding of the contract will be made at the meeting of the Bid Adjudication Committee to be confirmed, where applicable.

For functionality, the following criteria will be applicable and the maximum value of points breakdown for each criterion using these scale level descriptors:

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<tr>
<th>SCALE LEVEL DESCRIPTIONS</th>
<th>RATING</th>
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<tbody>
<tr>
<td>No relevant response or information given to enable evaluation</td>
<td>0</td>
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<tr>
<td>Very poor response based on expected standard</td>
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<tr>
<td>Poor response based on expected standard</td>
<td>2</td>
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<tr>
<td>Average response based on expected standard</td>
<td>3</td>
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<tr>
<td>Good response based on expected standard</td>
<td>4</td>
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<tr>
<td>Excellent response based on expected standard</td>
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Points Breakdown:

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<th>CRITERIA FOR FUNCTIONALITY</th>
<th>BREAKDOWN OF POINTS</th>
<th>WEIGHT</th>
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</thead>
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<tr>
<td>1. Approach and Methodology (25)</td>
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<tr>
<td>1.1 Proposed approach and Methodology on how the project will rollout as per the Project Scope (no 3) of the TOR: <strong>Internal Audit services.</strong></td>
<td>Submit project plan, methodology approach in line with scope of work.</td>
<td>15</td>
</tr>
<tr>
<td>1.2 Proposed approach and Methodology on how the project will rollout as per the Project Scope (no 4) of the <strong>Whistleblowing Anti-Fraud Hotline services.</strong></td>
<td>Submit project plan, methodology approach in line with scope of work.</td>
<td>10</td>
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<tr>
<td>2. Relevant Qualifications (20)</td>
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<td>Relevant Qualifications of resources For Internal audit services, whistleblowing and anti-fraud hotline</td>
<td>4 qualified resources - 5 points Anything less than 4 qualified resources- 0 points</td>
<td>20</td>
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<tr>
<td>4 Qualified resources required</td>
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<tr>
<td>• Qualified Chartered Accountant</td>
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<td>• Qualified Information Technology auditor</td>
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<td>• Certified Fraud Examiner</td>
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<td>• Performance Auditor</td>
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<td>3. Relevant Experience (25)</td>
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8
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<tr>
<th>CRITERIA FOR FUNCTIONALITY</th>
<th>BREAKDOWN OF POINTS</th>
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</table>
| 3.1. Relevant Experience of Project Team leader by providing the following: | Over 10 years – 5 points  
5 years’ experience – 4 points  
Less than 5 years but greater than three (3) experience – 3 points  
Less than 3 years but greater than two (2) – 2 points  
Less than two years – 1 point  
No experience - 0 point | 15     |
| • CV with 10 years of experience in **Internal Audit services** |                                                                                   |        |
| 3.2 Relevant Experience of Project Team leader by providing the following: | Over 10 years – 5 points  
5 years’ experience – 4 points  
Less than 5 years but greater than three (3) experience – 3 points  
Less than 3 years but greater than two (2) – 2 points  
Less than two years – 1 point  
No experience - 0 point | 10     |
<p>| • CV with 10 years of experience in <strong>Whistleblowing Anti-Fraud Hotline services</strong> |                                                                                   |        |
| 4. Reference checks on services rendered by bidding company (20) |                                                                                   |        |</p>
<table>
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<tr>
<th>CRITERIA FOR FUNCTIONALITY</th>
<th>BREAKDOWN OF POINTS</th>
<th>WEIGHT</th>
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<td>4.1. Reference letters</td>
<td>5 letters= 5 points</td>
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<td>4 letters= 4 points</td>
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<td>1 letter= 1 point</td>
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<td>No submission= 0</td>
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<td>4.2. Reference letters</td>
<td>5 letters= 5 points</td>
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<td>No submission= 0</td>
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<td>5. Track record of bidder (10)</td>
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<tr>
<td>5.1 Proven Track record of years in Internal Audit services by bidding company.</td>
<td>5</td>
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<tr>
<td>5.2 Proven Track record of years in Whistleblowing Anti-Fraud Hotline services by bidding company</td>
<td>5</td>
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<tr>
<td>Total for functionality</td>
<td>100</td>
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<tr>
<td>Minimum Threshold Score</td>
<td>70</td>
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</table>
12 CONDITIONS OF TENDER

- The requirement for content of the project proposal” section below outlines the information that must be included in bid offers. **Failure to provide all or part of the information will result in your bid being excluded from the evaluation process.**

- AgriSETA may at its own discretion vary an instruction to include more work.

- In the event that any conflict of interest is discovered during the assignment, AgriSETA reserves the right to summarily cancel the agreement and demand that all the information, documents and property of AgriSETA be returned forthwith.

- AgriSETA reserves the right to request new or additional information regarding each bidder and any individual or other persons associated with its project proposal.

- Bidders shall not make available or disclose details pertaining to their project proposal with anyone not specifically involved, unless authorized to do so by AgriSETA.

- Bidders shall not issue any press release or other public announcement pertaining to the details of their project without the prior written approval of AgriSETA.

- Bidders are required to declare any conflict of interest they may have in the transaction for which the bid is submitted or any potential conflict of interest. AgriSETA reserves the right not to consider further any bid where such a conflict of interest exists or where such potential conflict of interest may arise.

- Bidders must be registered in the National Treasury Central Supplier Database (CSD) and must submit CSD report with a tax compliant status with their proposal.

- Bidders must be tax compliant

- Bidders are advised that submission of a project proposal gives rise to no contractual obligations on the part of AgriSETA.

- Disputes that may arise between AgriSETA and a bidder must be settled by means of mutual consultation, mediation (with or without legal representation) or, when unsuccessful, in a South African court of law.

- All returnable bid documents must be completed in full and submitted together with the bidder’s proposal.

- Completion of the Standard Bidding Documents below stated is mandatory, failure to do so will render your bid offer invalid.

- Submit Company registration documents and Company Profile

- Bidders must submit proof of their B-BBEE status level of contributor
PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)

BID NUMBER: AGRISETA/10/2019 CLOSING DATE: 23-01-2020 CLOSING TIME: 11:00

DESCRIPTION APPOINTMENT OF AN INTERNAL AUDIT AND WHISTLEBLOWING ANTI-FRAUD HOTLINE SERVICE PROVIDER FOR A PERIOD OF THREE YEARS BID NO: AGRISETA/10/2019

CLOSING DATE: 23-01-2020
CLOSING TIME: 11:00

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)

AGRISETA HOUSE, 529 BELVEDERE STREET, ARCADIA 0083

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO
TECHNICAL ENQUIRIES MAY BE DIRECTED TO:

CONTACT PERSON TEOGO MAPITSING CONTACT PERSON TEOGO MAPITSING
TELEPHONE NUMBER 012 301 5178 TELEPHONE NUMBER 012 301 5178
FACSIMILE NUMBER FACSIMILE NUMBER
E-MAIL ADDRESS TEOGOM@AGRISETA.CO.ZA E-MAIL ADDRESS QUOTATIONS@AGRISETA.CO.ZA

SUPPLIER INFORMATION

NAME OF BIDDER
POSTAL ADDRESS
STREET ADDRESS
TELEPHONE NUMBER CODE NUMBER
CELLPHONE NUMBER
FACSIMILE NUMBER CODE NUMBER
E-MAIL ADDRESS
VAT REGISTRATION NUMBER
SUPPLIER COMPLIANCE STATUS
TAX COMPLIANCE SYSTEM PIN: OR CENTRAL SUPPLIER DATABASE No: MAAA

B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE
TICK APPLICABLE BOX] B-BBEE STATUS LEVEL SWORN AFFIDAVIT
[YES NO] [YES NO]

[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) 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 NO] [IF YES ENCLOSE PROOF]

ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS/SERVICES/WORKS OFFERED?

[YES NO] [IF YES, ANSWER THE QUESTIONNAIRE BELOW ]

QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?

[YES NO]

DOES THE ENTITY HAVE A BRANCH IN THE RSA?

[YES NO]

DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?

[YES NO]

DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?

[YES NO]

IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?

[YES NO]

IF THE ANSWER IS “NO” TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.
# PART B
## TERMS AND CONDITIONS FOR BIDDING

### 1. BID SUBMISSION:
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED—(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).

### 2. TAX COMPLIANCE REQUIREMENTS
2.1. BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2. BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER’S PROFILE AND TAX STATUS.
2.3. APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
2.4. BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5. IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6. WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7. NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE.”

NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

**SIGNATURE OF BIDDER:**

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

**CAPACITY UNDER WHICH THIS BID IS SIGNED:**

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

(Proof of authority must be submitted e.g. company resolution)

**DATE:**

........................................................
NAME OF BIDDER: ................................................................. BID NO: ........................................
CLOSING TIME 11:00 CLOSING DATE.................................

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

<table>
<thead>
<tr>
<th>ITEM NO</th>
<th>DESCRIPTION</th>
<th>BID PRICE IN RSA CURRENCY <strong>(ALL APPLICABLE TAXES INCLUDED)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The accompanying information must be used for the formulation of proposals.</td>
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<tr>
<td>2.</td>
<td>Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project. R..................................................</td>
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<td>3.</td>
<td>PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)</td>
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<td>4.</td>
<td>PERSON AND POSITION</td>
<td>HOURLY RATE</td>
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<td>5.</td>
<td>PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT</td>
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<tr>
<td>5.1</td>
<td>Travel expenses (specify, for example rate/km and total km, class of airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.</td>
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<tr>
<td>DESCRIPTION OF EXPENSE TO BE INCURRED</td>
<td>RATE</td>
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</tr>
<tr>
<td>TOTAL: R..........................................................</td>
<td></td>
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</tr>
</tbody>
</table>

** “all applicable taxes” includes value- added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.**
5.2 Other expenses, for example accommodation (specify, e.g. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

<table>
<thead>
<tr>
<th>DESCRIPTION OF EXPENSE TO BE INCURRED</th>
<th>RATE</th>
<th>QUANTITY</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<tr>
<td>TOTAL:</td>
<td></td>
<td></td>
<td>R………..</td>
</tr>
</tbody>
</table>

6. Period required for commencement with project after acceptance of bid

7. Estimated man-days for completion of project

8. Are the rates quoted firm for the full period of contract? *YES/NO

9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.

Any enquiries regarding bidding procedures may be directed to

(Tebogo at AgriSETA House Pretoria)

Tel: 012 301 5178

Or for technical information –

(Tebogo at AgriSETA House Pretoria)

Tel: 012 301 5178
DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state¹, 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 a price quotation, advertised competitive bid, limited bid or proposal). 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 and 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 and persons who are involved with the evaluation and or adjudication of the bid.

2. In order to give effect to the above, the following questionnaire must be completed and 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, shareholder²): ……………………………………..

2.4 Company Registration Number: ………………………………………………………………………..…….

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.

¹“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.

²“Shareholder” means a person who owns shares in the company and is actively involved in the management of the enterprise or business and 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 the appropriate authority to undertake remunerative work outside employment in the public sector?  

YES / NO

2.7.2.1 If yes, did you attached proof of such authority to the bid document?  

YES / NO

(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 / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months?  

YES / NO

2.8.1 If so, furnish particulars:
-----------------------------------------------------------------
-----------------------------------------------------------------
-----------------------------------------------------------------

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid?  

YES / NO

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

2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid?  

YES/NO

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

2.11 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract?  

YES/NO
2.11.1 If so, furnish particulars:

……………………………………………………………………………………
……………………………………………………………………………………
……………………………………………………………………………………

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

<table>
<thead>
<tr>
<th>Full Name</th>
<th>Identity Number</th>
<th>Personal Tax Reference Number</th>
<th>State Employee Number / Persal Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

4 DECLARATION

I, THE UNDERSIGNED (NAME)…………………………………………………………………………………………

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT.
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION PROVE TO BE FALSE.

………………………………….................................  ……………………………………………
Signature                                                      Date

………………………………….................................  ……………………………………………
Position                                                      Name of bidder
PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

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


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 R50 000 000 (all applicable taxes included); and
   - the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2
   a) The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable; or
   b) The 80/20 preference point system will be applicable to this tender (delete whichever is not applicable for this tender).

1.3 Points for this bid shall be awarded for:
   (a) Price; and
   (b) B-BBEE Status Level of Contributor.

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

<table>
<thead>
<tr>
<th></th>
<th>POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRICE</td>
<td></td>
</tr>
<tr>
<td>B-BBEE STATUS LEVEL OF CONTRIBUTOR</td>
<td></td>
</tr>
<tr>
<td>Total points for Price and B-BBEE must not exceed</td>
<td>100</td>
</tr>
</tbody>
</table>

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.6 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
   (a) “B-BBEE” means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
   (b) “B-BBEE status level of contributor” means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
   (c) “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 goods or services, through price quotations, advertised competitive bidding processes or proposals;
   (d) “Broad-Based Black Economic Empowerment Act” means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
   (e) “EME” means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
   (f) “functionality” means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
   (g) “prices” includes all applicable taxes less all unconditional discounts;
   (h) “proof of B-BBEE status level of contributor” means:
      1) B-BBEE Status level certificate issued by an authorized body or person;
      2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
      3) Any other requirement prescribed in terms of the B-BBEE Act;
   (i) “QSE” means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
   (j) “rand value” means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE
3.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS
   A maximum of 80 or 90 points is allocated for price on the following basis:

   \[
   P_s = 80 \left(1 - \frac{P_t - P_{\text{min}}}{P_{\text{min}}}\right) \quad \text{or} \quad P_s = 90 \left(1 - \frac{P_t - P_{\text{min}}}{P_{\text{min}}}\right)
   \]

   Where
   
   \[
   \begin{align*}
   P_s & = \text{Points scored for price of bid under consideration} \\
   P_t & = \text{Price of bid under consideration} \\
   P_{\text{min}} & = \text{Price of lowest acceptable bid}
   \end{align*}
   \]

4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR
4.1 In terms of Regulation 6 (2) and 7 (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:

<table>
<thead>
<tr>
<th>B-BBEE Status Level of Contributor</th>
<th>Number of points (90/10 system)</th>
<th>Number of points (80/20 system)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>3</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>4</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>5</td>
<td>4</td>
<td>8</td>
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<tr>
<td>6</td>
<td>3</td>
<td>6</td>
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<tr>
<td>7</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>8</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Non-compliant contributor</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

5. BID DECLARATION
5.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1
6.1 B-BBEE Status Level of Contributor: \( \ldots \) \( = \) \( \ldots \) (maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING
7.1 Will any portion of the contract be sub-contracted?

*(Tick applicable box)*

| YES | NO |

7.1.1 If yes, indicate:

i) What percentage of the contract will be subcontracted\( \ldots \)%

ii) The name of the sub-contractor\( \ldots \)

iii) The B-BBEE status level of the sub-contractor\( \ldots \)

iv) Whether the sub-contractor is an EME or QSE

*(Tick applicable box)*

| YES | NO |

v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations, 2017:

<table>
<thead>
<tr>
<th>Designated Group: An EME or QSE which is at last 51% owned by:</th>
<th>EME</th>
<th>QSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black people</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>Black people who are youth</td>
<td></td>
<td>√</td>
</tr>
</tbody>
</table>
8. DECLARATION WITH REGARD TO COMPANY/FIRM
8.1 Name of company/firm:
8.2 VAT registration number:
8.3 Company registration number:
8.4 TYPE OF COMPANY/FIRM
   □ Partnership/Joint Venture / Consortium
   □ One person business/sole propriety
   □ Close corporation
   □ Company
   □ (Pty) Limited

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

8.6 COMPANY CLASSIFICATION
   □ Manufacturer
   □ Supplier
   □ Professional service provider
   □ Other service providers, e.g. transporter, etc.

8.7 Total number of years the company/firm has been in business:

8.8 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 contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/firm for the preference(s) shown and I/we acknowledge that:

i) The information furnished is true and 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 paragraphs 1.4 and 6.1, 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 contributor 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 and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
(d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury 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. ..............................................
2. ..............................................
DECLARATION OF BIDDER’S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

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 and 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 and submitted with the bid.

<table>
<thead>
<tr>
<th>Item</th>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>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? (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 <em>audi alteram partem</em> rule was applied).</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>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>) and can be accessed by clicking on its link at the bottom of the home page.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1.1</td>
<td>If so, furnish particulars:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2</td>
<td>Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2.1</td>
<td>If so, furnish particulars:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.3</td>
<td>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?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>4.3.1</td>
<td>If so, furnish particulars:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.4</td>
<td>Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>4.4.1</td>
<td>If so, furnish particulars:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)…………………………………………………………………….. CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS TRUE AND 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
CERTIFICATE OF INDEPENDENT BID DETERMINATION

1 This Standard Bidding Document (SBD) must form part of all bids 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 and if it involves collusive bidding (or bid rigging).\(^2\) Collusive bidding is a \textit{pe se} prohibition meaning that it cannot be justified under any grounds.

3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and 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 and or committed fraud or any other improper conduct in relation to such system.

   b. cancel a contract awarded to a supplier of goods and 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 and submitted with the bid:

\(^1\) Includes price quotations, advertised competitive bids, limited bids and proposals.

\(^2\) 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 and/or services for purchasers who wish to acquire goods and/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:
________________________________________________________________________
(Bid Number and Description)

in response to the invitation for the bid made by:
______________________________________________________________________________
(Name of Institution)

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

I certify, on behalf of:__________________________________________________________________________that:

(Name of Bidder)

1. I have read and 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 and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and 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, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and 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 and 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, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium\(^3\) 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 and 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 and 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, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract

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

.......................................................... ..........................................................
Signature                                      Date

.......................................................... ..........................................................
Position                                      Name of Bidder
NOTES

The purpose of this document is to:

(i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
(ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.

- The General Conditions of Contract will form part of all bid documents and may not be amended.

- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.
# TABLE OF CLAUSES

1. Definitions  
2. Application  
3. General  
4. Standards  
5. Use of contract documents and information; inspection  
6. Patent rights  
7. Performance security  
8. Inspections, tests and analysis  
9. Packing  
10. Delivery and documents  
11. Insurance  
12. Transportation  
13. Incidental services  
14. Spare parts  
15. Warranty  
16. Payment  
17. Prices  
18. Contract amendments  
19. Assignment  
20. Subcontracts  
21. Delays in the supplier’s performance  
22. Penalties  
23. Termination for default  
24. Dumping and countervailing duties  
25. Force Majeure  
26. Termination for insolvency  
27. Settlement of disputes  
28. Limitation of liability  
29. Governing language  
30. Applicable law  
31. Notices  
32. Taxes and duties  
33. National Industrial Participation Programme (NIPP)  
34. Prohibition of restrictive practices
General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:

1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.

1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.

1.4 “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.

1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.

1.6 “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 and 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.

1.7 “Day” means calendar day.

1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.

1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.

1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.

1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
1.12 “Force majeure” means an event beyond the control of the supplier and not involving the supplier’s fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

1.13 “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, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

1.14 “GCC” means the General Conditions of Contract.

1.15 “Goods” means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

1.16 “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 supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and 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 and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.

1.17 “Local content” means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.

1.18 “Manufacture” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

1.19 “Order” means an official written order issued for the supply of goods or works or the rendering of a service.

1.20 “Project site,” where applicable, means the place indicated in bidding documents.

1.21 “Purchaser” means the organization purchasing the goods.

1.22 “Republic” means the Republic of South Africa.

1.23 “SCC” means the Special Conditions of Contract.

1.24 “Services” means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
1.25 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.

2. Application

2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.

2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.

3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

5. Use of contract documents and information; inspection.

5.1 The supplier shall not, without the purchaser’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 purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

5.2 The supplier shall not, without the purchaser’s prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.

5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier’s performance under the contract if so required by the purchaser.

5.4 The supplier shall permit the purchaser to inspect the supplier’s records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

7. Performance

7.1 Within thirty (30) days of receipt of the notification of contract award,
the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier’s failure to complete his obligations under the contract.

7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

(a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser’s country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
(b) a cashier’s or certified cheque

7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier’s performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspections, tests and analyses

8.1 All pre-bidding testing will be for the account of the bidder.

8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.

8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

8.7 Any contract supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the
cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods’ final destination and the absence of heavy handling facilities at all points in transit.

9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

10.1 Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.

10.2 Documents to be submitted by the supplier are specified in SCC.

11. Insurance

11.1 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 and delivery in the manner specified in the SCC.

12. Transportation

12.1 Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC.

13. Incidental services

13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:

(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 and 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 supplier of any warranty obligations under this contract; and

(e) training of the purchaser’s personnel, at the supplier’s plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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

14. Spare parts

14.1 As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

(a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
(b) in the event of termination of production of the spare parts:
   (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
   (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier 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 supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2 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 and 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 SCC.

15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.

15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier’s risk and expense and without prejudice to any other rights which the purchaser
may have against the supplier under the contract.

16. Payment

16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.

16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.

16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.

16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser’s request for bid validity extension, as the case may be.

18. Contract amendments

18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

19. Assignment

19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser’s prior written consent.

20. Subcontracts

20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

21. Delays in the supplier’s performance

21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.

21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier’s notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier’s time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.

21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier’s point of supply is not situated at or near the place where the supplies are required, or the supplier’s services are not readily
available.

21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without canceling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier’s expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser 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 the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23. Termination for default

23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:

(a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;

(b) if the Supplier fails to perform any other obligation(s) under the contract; or

(c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the
envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.

23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
(i) the name and address of the supplier and / or person restricted by the purchaser;
(ii) the date of commencement of the restriction
(iii) the period of restriction; and
(iv) the reasons for the restriction.

These details will be loaded in the National Treasury’s central database of suppliers or persons prohibited from doing business with the public sector.

23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person’s name be endorsed on the Register for Tender Defaulters. When a person’s name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

24. Anti-dumping and countervailing duties and rights

24.1 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
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<tr>
<td>25. Force Majeure</td>
<td>25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.</td>
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<td>25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.</td>
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<td>26. Termination for insolvency</td>
<td>26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.</td>
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<td>27. Settlement of Disputes</td>
<td>27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.</td>
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<td>27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.</td>
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<td>27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.</td>
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<td>27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.</td>
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<td>27.5 Notwithstanding any reference to mediation and/or court proceedings herein,</td>
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<td>(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and</td>
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<td>(b) the purchaser shall pay the supplier any monies due the supplier.</td>
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<tr>
<td>28. Limitation of liability</td>
<td>28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6; (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and</td>
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(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

29. Governing language

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

30. Applicable law

30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.

31. Notices

31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice.

31.2 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 of such notice.

32. Taxes and duties

32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser’s country.

32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department 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.

33. National Industrial Participation (NIP) Programme

33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

34 Prohibition of Restrictive practices

34.1 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 and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).

34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

34.3 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 and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or
terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.