



higher education  
& training  
Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA



# BID DOCUMENT: APPOINTMENT OF SERVICE PROVIDER FOR THE CO SOURCING OF INTERNAL AUDIT FOR A PERIOD OF 36 MONTHS

**BID NO. TNC/IA/18/2024**

**CLOSING DATE: 29 JULY 2024**

**TIME: 11:00**

<p><b>Issued by:</b> Tshwane North College Cnr Pretorius and Kgosi Mampuru Street Pretoria 0001</p> <p><b>Delivery Address:</b> Bid Box (Central Office) Cnr Pretorius and Kgosi Mampuru</p>	<p><b>Inquiries: Procurement Processes</b>  <b>Mr. Gift Matjomane</b> Tel: 012 401 1641 <a href="mailto:gift.matjomane@tnc.edu.za">gift.matjomane@tnc.edu.za</a></p> <p><b>Technical Enquires:</b> <b>Ms Maggie Rameetse</b> Tel: 012 401 1932 <a href="mailto:maggie.rameetse@tnc.edu.za">maggie.rameetse@tnc.edu.za</a></p>
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**NAME OF TENDERER:** \_\_\_\_\_

**TOTAL AMOUNT R** \_\_\_\_\_ **(incl. VAT)**

**NO BID WILL BE ACCEPTED FROM A PERSON IN THE SERVICE OF THE STATE**



<b>Bid number</b>	<b>TNC/IA/18/2024</b>
<b>Date issued</b>	<b>28 June 2024</b>
<b>Tender closing date</b>	<b>29 July 2024 Time:11h00</b>
<b>Validity Period</b>	<b>90 Days</b>

<b>Company Name</b>	
<b>Address</b>	
<b>Contact person</b>	Mr/Mrs/Ms/Dr/Prof.
<b>Contact numbers</b>	(w)   (Cell)
<b>Email address</b>	

**BIDDING DOCUMENT**

<b>SBD 1</b>	<b>Invitation to Bid</b>
<b>RFP</b>	<b>Request for Proposal: Terms of Reference</b>
<b>ANNEXURE A</b>	<b>Evaluation Criteria</b>
<b>FORM A</b>	<b>Pricing Submission &amp; declaration</b>
<b>SBD 3.3</b>	<b>Pricing Schedule (Professional Services)</b>
<b>SBD 4</b>	<b>Declaration of Interest</b>
<b>SBD 6.1</b>	<b>Preference Points Claim Form in Terms of Preferential Procurement Regulations 2022</b>
<b>GCC</b>	<b>Government Procurement General Conditions of Contract 2010</b>

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## **LIST OF ACRONYMS**

BAC	Bid adjudication committee
BEC	Bid Evaluation Committee
CFO	Chief Finance Officer
EME	Exempted Micro Enterprise
PFMA	Public Finance Management Act
PPPFA	Preferential Procurement Policy Framework Act
QSE	Qualify Small Enterprise
SAQA	South African Qualifications Authority
SANAS	South African National Accreditation System
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SMME	Small, Medium and Micro Enterprise
IIA	Institute of Internal Auditors

**YOU ARE HEREBY INVITED TO SUBMIT THE BID TO  
TSHWANE NORTH TVET COLLEGE**

**PART A  
INVITATION TO BID SBD 1 80/20 preference point system.**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (TSHWANE NORTH TVET COLLEGE)				
BID NUMBER:	TNC/IA/18/2024	CLOSING DATE: 29 July 2024		CLOSING TIME: 11:00
DESCRIPTION	Request for: Appointment of a service provider for the Co Sourcing of Internal Audit for a period of 36 months at Tshwane North TVET College.			
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)				
200 Kgosi Mampuru				
Cnr Pretorius and Kgosi Mampuru				
Pretoria				
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:	
CONTACT PERSON	Gift Matjomane		CONTACT PERSON	Maggie Rameetse
TELEPHONE NUMBER	012 401 1641		TELEPHONE NUMBER	012 401 1932
FACSIMILE NUMBER	N/A		FACSIMILE NUMBER	N/A
E-MAIL ADDRESS	gift.matjomane@tnc.edu.za		E-MAIL ADDRESS	maggie.rameetse@tnc.edu.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
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR <b>THE GOODS /SERVICES /WORKS OFFERED?</b>		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW ]	
<b>QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <input type="checkbox"/> YES <input type="checkbox"/> NO					
DOES THE ENTITY HAVE A BRANCH IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO					
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO					
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO					
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? <input type="checkbox"/> YES <input type="checkbox"/> NO					
<b>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.</b>					

## PART B TERMS AND CONDITIONS FOR BIDDING

<b>1. BID SUBMISSION:</b>
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2. <b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED-(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.</b>
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4. <b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</b>
<b>2. TAX COMPLIANCE REQUIREMENTS</b>
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.**

<b>Signature of bidder</b>	
<b>Date</b>	

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

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



# **TERMS OF REFERENCE TO BID FOR APPOINTMENT OF SERVICE PROVIDER FOR THE CO SOURCING OF INTERNAL AUDIT FOR A PERIOD OF 36 MONTHS.**

## **1. BACKGROUND**

Tshwane North TVET College wishes to appoint a service provider to provide internal audit services.

In terms of the Continuing Education and Training Colleges Act of 2006 as amended, section 25(1)(c), TVET Colleges are required to implement internal audit and risk management systems, which are not inferior to the standards contained in the Public Finance Management Act (PFMA) of 1999.

In terms of section 3.2.5 of the Treasury Regulations of March 2005 for purposes of best practice within the College, the purpose, authority and responsibility of the internal audit function must, in consultation with the audit committee, be formally defined in an audit charter and be consistent with the Institute of Internal Auditors ("IIA") definition of internal auditing.

### **Composition**

The internal audit function may, in accordance with preferred tendering procedures be contracted out to an external institution with specialist internal audit expertise, provided that the external auditors may not perform the internal audit function.

Alternatively, the internal audit function may comprise of a combination of staff employed by the College and outsourced staff.

The bidder is requested to submit the proposal, in writing, by the date specified. Any inquiries must be directed for the attention of Gift Matjomane using the contact information above.

By submitting a proposal in response to this bid or participating in this bid process, the Bidder accept that it is subject to and bound by all the terms and conditions contained in this Bid document.

## **2. PURPOSE**

To request proposals from the service providers for Co-Sourcing of Internal Audit services for a period of 36 months. The appointed service provider will be allocated specific internal audit engagement as indicated below in order to enhance the risk coverage for the College.

## **2.1 No obligation to Proceed**

The TNC reserve the right to discontinue the Proposal evaluation process at any time and will not be responsible for any losses incurred by the Bidder as a result of discontinuance of the proposal process.

## **2.2 Payment**

2.2.1 Invoices should be invoiced on a monthly/quarterly basis after completion of each project. Please indicate the year order on the invoice as well as the specific campus.

2.2.2 The Service Provider must ensure that an identified member of TNC accompany those who visit delivery sites/campuses for confirmation of services before sign-off.

2.2.3 The Service Provider to notify the office of the principal immediately if any problems are experienced.

## **3. SCOPE OF WORK**

**The service provider must have expertise to execute areas detailed below and the proposals submitted must entail the following:**

The successful bidder will be required to perform, inter alia, the following types of internal audits together with the in-house team.

- Risk Based operational audits for the entire college.
- Compliance audits
- Information and Communication Technology (ICT) audits
- Review of Annual Financial Statements to assist in improvement of audit outcomes, including detailed reviews as and when requested by Audit and Risk Committee.
- Follow-up audit reviews
- Any Ad-hoc project and consulting services including forensic investigations as and when requested by Management and/or the Audit and risk Committee.
- Assisting in evaluating the effectiveness and efficiency of internal controls in place, providing assurance and reports to Management, the Audit and Risk Committee, and through them, the Council about their status and recommendations for enhanced improvement
- Development of a rolling three year strategic and annual risk based internal audit plan based on the result of the college risk assessment and taking into account previous external and internal audit findings.

- Liaise with the external auditors to prevent duplication of work and to promote combined assurance model.
- On monthly basis, the Internal Auditor shall prepare a report to the Principal regarding any engagements underway and then on Quarterly basis present reports to the Audit and Risk Committee for the duration of the contract.
- The successful bidder will be required to furnish the Audit and Risk Committee on status against the approved Annual Internal Audit Plan at all meetings.
- Annual review and updating of the Internal Audit Charter in line with applicable standards.
- Review of Internal Audit policies as and when a need arises.
- Review of the approved Internal audit methodology
- Assignments are to be executed in accordance with the International Standard for the Professional Practice of Internal Auditing (IIA Standards) as defined by the institute of internal auditors (IIASA) and the approved internal audit plan.
- All audit files remain the property of the college and to be made available upon completion of each audit assignment.

**The scope of internal audit entails testing and evaluating the adequacy and effectiveness of the institutional system of internal control and to make recommendations where applicable. The controls subject to evaluation should encompass the following, but is not limited to:**

- i. Review the effectiveness and efficiency of internal controls and the risk management process.
- ii. Review the reliability and integrity of financial and operating information and the means used to identify, classify and report such information.
- iii. Review the systems established by Management to ensure compliance with those policies, laws, regulations and controls that could have a significant impact on operations and determine whether the College is in compliance with CET ACT 16 of 2006 and other relevant legislation that governs the College.
- iv. Ensure the safeguarding of assets by the college.

#### **4. SPECIFIC CONDITIONS REGARDING OFFER**

4.1 Should the Service Provider withdraw the offer within the period for which prices shall remain open for acceptance or fail to fulfil the contract when called upon to do so, TNC may, in addition to any other remedies, withdraw the offer or cancel the contract. The Service Provider will then pay the

College any expenses incurred by them having either to accept a less favorable offer, or, if new offers have to be called for, additional expenditure incurred by the call for new offers and by the subsequent acceptance of a less favorable offer.

4.2 Tenderers may not tender for a specific campus (Partial completion of the documentation required in respect of any one campus will result in disqualification of your proposal).

4.3 Information given during the Information Session is meant to assist Service Providers in order to submit a meaningful proposal.

4.4 The Evaluation Panel shall select Service Provider/s on the basis of a ranking which will be determined in accordance with the evaluation criteria described in this bid document, for approval by the Accounting Officer of TNC. In particular, the following should be noted:

4.5 TNC may limit the contract awards. In the event of the highest scoring tenderer in respect of a subsequent sector having already been awarded a contract for a previous sector, the subsequent contract award may be made to the next highest scoring tenderer which has not already been awarded a contract.

4.6 TNC reserves the right to engage with any preferred tenderer in post-tender negotiations on price and other matters, and in the event that TNC and a preferred tenderer reach deadlock in any such post-tender negotiations, TNC reserves the right to terminate the negotiation process and recommend for appointment of either the next highest scoring tenderer, or a higher scoring tenderer which has been awarded a contract in respect of another Sector.

4.7 Detailed evaluation results and Tenderer ratings shall not be published.

#### **4.8 Additional Conditions**

4.8.1 All prices must be inclusive of VAT.

4.8.2 All payments will be made in accordance with General Conditions Regarding of Offer”.

- 4.8.3 TNC does not commit to pay any costs incurred by any preferred tenderer or Service provider in the negotiations with TNC, nor any costs incurred by any preferred tenderer or Service Provider in submitting a price, technical, or other revisions of their proposals as may result from negotiations.
- 4.8.4 Every bid submitted must remain open for a period of one hundred and twenty days (90) days from date of closure and may be accepted at any time during the said period of one hundred and twenty days (90) days.

## **4.9 Company Profile**

- 4.9.1 A profile containing at least the following must accompany the offer:
- 4.9.2 Proof of existence of service facilities
- 4.9.3 References of projects of similar nature.
- 4.9.4 Detail of ownership etc
- 4.9.5 An understanding of public sector related legislative and accountability framework.
- 4.9.6 Ability to conduct internal audit services, strictly co-sourcing experience.
- 4.9.7 Ability to facilitate, compile and present reports to the audit and risk committee
- 4.9.8 Description of service
- 4.9.9 Contingency plans
- 4.9.10 Specify requirements expected of TNC
- 4.9.11 Submit documentation and state all legal requirements.

## **4.10 Personnel**

### **4.10.1 Skills Transfer**

Service providers are required to demonstrate how they will transfer skills to internal officials regarding the project.

The College shall study the outcome of the plan and liaise with the service provider regarding the satisfactory outcomes of the plan.

### **4.10.2 Reporting requirements and progress meetings**

4.10.3.1 It is envisaged that the College will require an initial meeting with the successful

service provider to agree on the project process and options to be investigated.

4.10.3.2 Progress meeting feedback shall be held as and when necessary, but at least twice a month until completion of the projects. The venue of these meetings will be at the Central Office of Tshwane North TVET College, Cnr Kgosi Mampuru Street and Pretorius, Pretoria.

4.10.3.3 Representatives from the service provider's organisation shall be obliged to attend meeting at their own costs.

4.10.3.4 The Internal Audit function will report functionally to the College Council, through the Audit and Risk Committee and administratively to the Principal. The function must be independent of activities audited with no limitation on its access to information.

Objectivity should be maintained at all cost.

4.10.3.5 The successful service provider shall submit copies of progress report during the project and final report at the end of the project.

#### **4.11.4 Complaints register**

4.11.4.1 Complaints could be conveyed in writing, verbally, telephonically or electronically. The Service Provider will be expected to resolve the problem and respond to the requests/complaints in a timely manner. The Service Provider will reply to requests or complaints in writing, informing the complainant or person responsible of how issues will be addressed and within which timeframe issues will be resolved.

4.11.4.3 Employees of the Service Provider shall not idle about aimlessly or use the seating in the public areas for relaxation;

4.11.4.4 The Service Provider shall ensure fair labour practice by complying with the industrial relations and personnel policies of TNC, where they do not breach the parties' joint labour practices;

4.11.4.5 The employees of the Service Provider who are required to be on or in the College premises shall at all times be neatly and appropriately attired to the satisfaction of the Internal Audit unit.

4.11.4.6 Employees of the Service Provider shall be clearly identifiable during their visit at the college

#### **4.12 Notes to the service providers:**

4.12.1 The Service Provider shall take cognisance “green” methodologies as dictated by advances in technology and make their recommendations on their proposal to TNC

#### **4.13 Vested interest**

4.13.1 Parties participating in this offer need to declare any vested interest they may have in Tshwane North TVET College. Statement provided for in the Form of Offer must be completed and signed.

#### **4.14 Particulars to be included on the supplier’s invoice**

The following information must be included on the successful contractor’s invoice:

- Date of Invoice;
- Company name;
- Company address;
- Company VAT number;
- Company CSD number;
- Invoice number;
- Order number
- Description of goods & services
- Invoices must be addressed to: The Principal, Tshwane North TVET College,

#### **4.15 Orders**

Service Provider shall render service only upon receipt of a written official order from TNC and service shall be rendered as indicated on the official order or in the contract, as the case may be

#### **4.16 Tender Obligations**

**Please note No bidder will be awarded a second contract in the same financial year in line with Tshwane North TVET College procurement policies.**





## **SECTION A: LEGISLATION, AND EVALUATION CRITERIA.**

### **1 LEGISLATIVE AND REGULATORY FRAMEWORK**

1.1 This bid and contracts emanating therefrom will be subject to the General Condition of Contract (GCC) issued in accordance with treasury Regulation 15A published in terms of the Public Finance Management Act, 1999(Act 1 of 1999), The Special Condition of Contract (SCC) are supplementary to that of the GCC. Where, however, the SCC are in conflict with the GCC the SCC prevail.

#### **1.1 Tax Legislation**

1.1.1 Bidder(s) must be compliant with tax matters.

1.1.2 It is a condition of this bid that the tax matters of the successful bidder be in order, or that satisfactory arrangement have been made with SARS to meet the bidder's tax obligations.

1.1.3 The Tax Compliance status requirements is also applicable to foreign bidders/individuals who wish to submit bids.

1.1.4 Bidders are required to be registered on the CSD and TNC shall verify the bidder's tax compliance status through the CSD.

1.1.5 Where Consortia/ Joint Ventures /Sub-contractors are involved, each party must be registered on the CSD and their tax compliance status will be verified through the CSD.

#### **1.2 Procurement Legislation**

The TNC has a detailed evaluation criteria premised on Treasury Regulation 16A3 promulgated under Section 76 of the Public Finance Management Act,1999(Act, No 1 of 1999), the Preferential Procurement Policy Framework Act 2000(Act No 5 of 2000) and the Broad based Black Economic Empowerment Act,2003 (Act,No.53 of 2003)

#### **1.3 Technical legislation and/ or Standards**

Bidder(s) should be cognizant of the legislation and/or standards specifically applicable to the service.

## 2. Document Accessibility

Documents will be available for download on **TNC website: [www.tnc.edu.za](http://www.tnc.edu.za)** and advert to be placed at **National Treasury E Portal**.

## 3. TIMELINES OF THE BID PROCESS.

The period of validity of bid and the withdrawal of offers, after the closing date and time is 90 days. The project timeframe of this bid are set out below.

<b>Date issued e-tender portal</b>	<b>28 June 2024</b>
<b>TNC Website tender document</b>	<b>01 July 2024</b> <b>Time:09h00</b>
<b>Tender closing date</b>	<b>29 July 2024</b> <b>Time:11h00</b>
<b>Validity Period</b>	<b>90 Days</b>

All the dates and times in this bid are South African standards time.

Any time or date in this bid is subjected to change at the TNC discretion. The establishment of time or date in this bid does not create an obligation on the part of the TNC to take any action, or create any right in any way for any bidder to demand that any action be taken on the date established.

## 4. Contact and Communication

4.1.1 All communication between bidder(s) and TNC must be done in writing.

4.1.2 All persons (including bidder(s)) obtaining or receiving the bid and any other information in connection with the bid or the bidding process must keep the contents of the bid and other such information confidential, and not disclose or use the information except as required for the purpose of developing a proposal in response to this bid.

4.1.3 The TNC will communicate in writing with bidders where clarity is sought after the closing date and time of the bid and prior to the award of the contract, or to extend the validity period of the bid, if necessary.

## **5. Late bids**

Bids received after the closing date and time, at the address indicated in the bid document, will not be accepted for consideration, and where practicable, will be returned unopened to the bidder.

## **7. Counter conditions**

7.1 Bidders attention is drawn to the fact that amendments to any of the Bid Conditions or setting of counter conditions by bidder may result in the invalidation of such bids.

7.2 The TNC reserves the right to change any information in, or to issue any addendum to this bid before the closing date and time.

7.3 If the TNC exercise its rights to change information in terms of the above clause, it may seek amended bid documents from all bidders.

## **8. Fronting**

The TNC supports the spirit of broad based economic empowerment and recognizes that real empowerment can only be achieved through individuals and business conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background the TNC condemns any form of fronting.

## **9. Unsuccessful Bidders**

Upon selection of the Short-Listed Bidders, TNC will notify each of the other bidders and inform them that they have not been shortlisted.

Please note: TNC decision on the selection of Short-Listed Bidders is final and TNC will not enter into any further correspondence and/or negotiations with any unsuccessful bidders.

**10. Supplier due diligence**

The TNC reserves the right to conduct supplier due diligence prior to final award or at any time during the contract period.

**11. Submission of proposals**

11.1 Bid documents may either be placed in the tender box OR couriered to the aforesaid address on or before the closing date and time.

11.2 Bid documents will only be considered if received by the TNC on or the closing date and time, regardless of the method used to send or deliver such documents to the TNC.

11.3 Bidder(s) are requested to initial each page of the tender document on the space provided on each page.

**12. Evaluation and selection criteria**

12.1.1 Tshwane North TVET College has set minimum standards that bidder needs to meet in order to be evaluated and selected as successful bidder. The minimum standards consist of the following:

<b>Stage 1:</b> Mandatory and other bid requirements	Bidder must submit all documents as outlined in paragraph below.
<b>Stage 2:</b> Capacity and Capability	Bids will be assessed to verify bidder capability and ability to execute the contract.  Evaluation criteria stipulated in Annexure A. Only a bidder that achieve a minimum of 70% will proceed to stage 3.
<b>Stage 3</b> Price and Specific goals	Bids will be evaluated in terms of the 80/20 preference system 2022.

<b>Stage 4</b> Recommendation Appointment	Recommendation and awards.
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### 12.1.2 Stage 1: Mandatory requirements

Bidders must submit all required documents indicated hereunder with the bid documents at the closing date and time of the bid. During the evaluation stage, bidder's responses will be evaluated based on the documents submitted under mandatory requirements. This stage is not scored and bidders who fail to comply with all the mandatory criteria will be disqualified.

**Mandatory requirements that must be submitted in stage one (1).**

Service Provider Profile	The bidder must submit a company profile that include but not limited to the following: <ul style="list-style-type: none"> <li>• Overview of the company</li> <li>• A clear description of the services rendered;</li> <li>• A risk mitigation strategy to ensure continued service delivery; and</li> <li>• Physical Address (or National Footprint of the company where applicable.</li> </ul>
Company Bank Rating	The bidder must submit a copy of the bidder's latest available bank rating, with the bid documents at the closing date and time of the bid.
Shareholding Portfolio	The bidder must submit valid proof of registration of the company with Cipro/CIPS and the shareholders certificate with the bid documents at the closing date and time of the bid. If by law registration with CIPRO/CIPS is not required, proof of ownership/shareholding must be provided.
SBD 1 –Invitation to Bid	Complete and sign the attached document.
Tax Status	In the event where a bidder submits a hard copy of the Tax Pin, the CSD verification outcome will take precedence;
SBD 3.3 Pricing Schedule	Complete and sign the attach document.
SBD 4- Declaration of Interest	Complete and sign the attached document.
SBD 6.1 – Preference Point Claim	Complete and sign the attached document.
A company certified copy of Certificate of registration with the Institute of Internal Auditors South Africa	Attach document
Registration on Central Supplier Database (CSD)	The bidder must be registration as service provider on the CSD. If the bidder is not registered proceed to complete the registration of your company prior to submitting your

	proposal. Visit <a href="https://securecsd.gov.za/">https://securecsd.gov.za/</a> to obtain your vendor number Submit proof registration
Pricing Submission (Form A)	Complete and sign

### 13.1 Stage 2: Functionality criteria

13.1.1. Only bidders who have complied with all mandatory and pre-qualification requirements will be evaluated for functionality. During this phase minimum total score of **70%** for functional requirements per category.

13.1.2. Bidders must, as part of their bid documents, submit supportive documentation for all functional requirements as indicated hereunder. The Bid Evaluation Committee (BEC) will evaluate and score all bids based(rephrase) on their submissions and the information provided.

13.1.3. Bidders will not rate themselves, but need to ensure that all information required is supplied. The BEC will evaluate and score all responsive bids and will verify all documents submitted by the bidders.

13.1.4. The BEC members will individually evaluate the responses received against the criteria listed in **Annexure A**.

13.1.5. A minimum percentage score of 70% will apply for evaluation. Bidders who do not meet this pre-qualification percentage would not progress for further evaluation.

13.1.6. The value scored for each criterion will be multiplied with the specified weighting for the relevant criterion to obtain the marks scored for each criterion. These marks will be added and expressed as fraction of the best possible score for all criteria.

13.1.7. Only bidders who have met minimum threshold of 70% will be considered for price and Specific goals point's evaluation as indicated hereunder.

### 14.1. Stage 3: Price and Specific goals points evaluation

14.1.1 The following preference point system is applicable to invitations to tender:

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included).

#### 14.1.2 To be completed by the organ of state

The applicable preference point system for this tender is the 80/20 preference point system.

- a) 80/20 preference point system will be applicable in this tender. The lowest/ highest

acceptable tender will be used to determine the accurate system once tenders are received.

14.1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

- (a) Price; and
- (b) Specific Goals.

**14.1.4 To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

	<b>POINTS</b>
<b>PRICE</b>	<b>80</b>
<b>SPECIFIC GOALS</b>	<b>20</b>
<b>Total points for Price and SPECIFIC GOALS</b>	<b>100</b>

14.1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.



14.1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

## 1. DEFINITIONS

(a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;

(b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;

(c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

(d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and

(e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

## 2. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 2.1. POINTS AWARDED FOR PRICE

#### 3.1.1 THE 80/20 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 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 price of tender under consideration

$P_t$  = Price of tender under consideration

$P_{\min}$  = Price of lowest acceptable tender

## 2.2. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

### 2.2.1. POINTS AWARDED FOR PRICE

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

**80/20**

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

Where

- P<sub>s</sub> = Points scored for price of tender under consideration
- P<sub>t</sub> = Price of tender under consideration
- P<sub>max</sub> = Price of highest acceptable tender

### 3. POINTS AWARDED FOR SPECIFIC GOALS

3.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

3.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

3.2.1. an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or

3.2.2. any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

then the organ of state must indicate the points allocated for specific goals for 80/20 preference point system

The table below provides for specific goals, its criteria of measurement, the proof to be submitted by the bidders, that may be selected (one or more) for the bidder to qualify for 20 points on specific goals

NO	SPECIFIC GOAL	CRITERIA	80:20		EVALUATION SCORED	TOTAL POINTS SCORED	PROOF/ EVIDENCE
			POINTS	TOTAL POINTS			
1	Persons historically disadvantaged on the basis of race	100% black owned	4	4			1. A certified copy of CIPC certificate of the bidder  2. CSD report
		75% - 99% black owned	3				
		60% - 74% black owned	2				
		51% - 59% black owned	1				
		0 - 50% black owned	0				
2	Persons historically disadvantaged on the basis of gender;	100% women owned	4	4			1. A certified copy of CIPC certificate of the bidder  2. Certified ID Copies of Directors 3. CSD report
		75% - 99% women owned	3				
		60% - 74% women owned	2				
		51% - 59% women owned	1				
		0 - 50% women owned	0				
3	Development of youth	100% Youth owned	4	4			1. Certified ID Copies of Directors. Youth is defined as person under the age of 35
		75% - 99% Youth owned	3				
		60% - 74% Youth owned	2				
		51% - 59% Youth owned	1				
		0 - 50% Youth owned	0				
4	Development of SMMEs	Exempted micro-enterprises (EMEs) - Annual total revenue of <b>ZAR 10 million or less</b>	4	4			1. A certified copy of CIPC certificate of the bidder  2. CSD report 3. Audited/independent Reviewed latest Annual Financial Statement
		Qualifying small enterprises (QSEs) - Annual total revenue of between <b>ZAR 10 million and ZAR 50 million</b>	2				
		Large Enterprise - annual total revenue of <b>ZAR 50 million or more.</b>	1				
5	Development of Local enterprise	Business address is within the City of Tshwane (Pretoria)	4	4			1. Municipal Account Statement in the name of the entity not older than 3 months or  2. Permission to Occupy from Local Chief in case of Rural Area (PTO) or 3. Signed Lease Agreement
		Business address is within the border of Gauteng Province	2				
		Business address is Outside the border of Gauteng Province	1				

## **15 VALUE ADDED TAX**

15.1 All bid prices must be inclusive of 15% Value-Added Tax

15.2 Failure to comply with this condition may invalidate the bid.

## **16. TAX COMPLIANCE REQUIREMENTS**

16.1. Bidders must ensure compliance with their tax obligations.

16.2. Bidders are required to submit their unique personal identification number (pin) issued by SARS to enable the

College to verify the taxpayer's profile and tax status.

16.3. Applications for a tax compliance status (TCS) certificate or pin may be made via e-filing through the SARS website [www.sars.gov.za](http://www.sars.gov.za). Bidders may also submit a printed TCS certificate with this RFQ.

16.4. Where no TCS pin is available, but the bidder is registered on the central supplier database (CSD), a CSD number must be provided and the tax compliance status on CSD will be utilized by the Department.

16.5. The tax compliance requirements are not applicable to foreign bidders / individuals with no South African tax obligations or no history of doing business in South Africa. Foreign suppliers must complete a pre-award questionnaire from SARS on their tax obligation categorization.

16.6. For the purposes of section 256 of the Tax Administration Act of 2011 the bidder / supplier authorizes the South African Revenue Service to disclose "taxpayer information" as contemplated under the provisions of Chapter 6 of the Act in relation to the compliance status of tax registration, tax debt and filing requirements to the College.

## **SECTION B: GENERAL AND SPECIFIC BID CONDITION**

### **17. GENERAL CONDITION OF CONTRACT**

**Any award made to a bidder(s) under this bid condition, amongst, upon-**

I. The bidder(s) accepting the terms and conditions contained in the General Conditions of

Contract (GCC) as the minimum terms and conditions upon which the TNC is prepared to enter into a contract with the successful bidder(s).

- II. The bidder submitting the GCC to TNC together with its bid, duly signed by an authorised representative of the bidder.

## **18. DURATION OF CONTRACT**

The envisaged contract will be for a maximum period of Thirty-Six (36) months. All contracts are subjected to annual performance review.

## **19. PRICING STRUCTURE**

19.1 Prices submitted for this bid must be completed in accordance with the requirement listed in the price proposal (Annexure C) supplied with the bid. Price structured that do not comply with this requirement may invalidate the bid.

## **20. SERVICE LEVEL AGREEMENT**

20.1.1 Upon awards TNC and the successful bidder will conclude a Service Level Agreement regulating the specific terms and condition applicable to the service being procured by TNC.

20.1.2 TNC reserve the right to accept or reject any or all amendments or additional proposal by a bidder if such amendments or additions are unacceptable to TNC or pose a risk to the organisation.

## **21. SPECIAL CONDITION OF THIS BID**

### **TNC reserves the right:**

21.1 To award this tender to a bidder that did not score the highest total number of points, only in accordance with section 2(1) f of the PPPFA (Act 5 of 2000)

21.2 To negotiate with one or more preferred bidder(s) identified in the evaluation process, regarding any terms and conditions, including price without offering the same opportunity to any other bidder(s) who has not been awarded the status of the preferred bidder(s).

21.3 To accept part of the tender rather than whole tender.

21.4 To carry out site inspection, product evaluations or explanatory meetings in order to verify the nature and quality of the services offered by the bidder(s), whether before or after adjudication of the bid.

21.5 To correct any mistakes at any stage of the bid that may have been in the bid documents or occurred at any stage of the bid.

21.6 To cancel/ or terminate the tender process at any stage, including after the closing date and/or after presentations (if any) have been made, and/or after tenders have been evaluated and/or after the preferred bidder(s) have been notified of their status as such.

21.7 TNC will furnish the Service Provider with all relevant data and information, which is necessary to perform the services under the agreement.

21.8 TNC will become the owner of all information, documents, programme, and advice and reports generated and compiled by the Service Provider in the execution of the services.

21.9 All information, documents, programme and reports must be regarded as confidential and may not be made available to any unauthorized person or institution without the written consent of the TNC.

21.10 Should either party fail to carry out any of its obligations in terms of the agreement, then the other party shall be entitled to give the defaulting party notice to comply therewith a period of seven (07) to fourteen (14) days. Should the other party fail to do so, then the other party may without prejudice to any other rights it may have terminate the agreement without any further notice.

21.11 On the termination of the agreement, for whatever reason, all programmes, reports, etc. must be handed to TNC. The Service Provider relinquishes the right or retention thereof.

21.12 Travelling costs and time spent or incurred between home and office of consultants will not be from the account of the College.

21.13 The service provider shall disclose all information in its -proposal regarding any interest that may result in actual or perceived conflict of interest.

## **22. NON COMMITMENT**

22.1 The department reserves the right not to accept any of the bids submitted.

22.2 The right is also reserved to withdraw or amend any of the bid conditions by notice in writing to all bidders.

## **23. TNC REQUIRES THE BIDDER(S) TO DECLARE (SBD)**

In the Bidder's Technical responses, bidder(s) are required to declare the following:

Confirm that the bidder(s) is:

- a) Tender to supply and delivery to the Tshwane North TVET College all of the services described both in this and the other forms and schedules to this tender.
- b) Agree that we will be bound by the specifications, prices, terms, conditions and proposals stipulated in the schedules attached to this tender document, regarding delivery and execution.
- c) Further agree to be bound by the conditions, set out in this form **A** attached hereto, should this tender be accepted.
- d) Confirm that this tender may only be accepted by the Tshwane North TVET College by way of a duly authorized Letter of Acceptance.



- d) Declare that we are fully acquainted with the schedules and the contents thereof and that we have signed the schedules, attached hereto
- f) Declare that, each page of the tender document and amendments thereto will be initialed by the relevant authorized person in order for the document to constitute a proper contract between the Tshwane North TVET College the undersigned, on acceptance of the tender by the Tshwane North TVET College.
- g) Declare that I have no participation in any collusive practices with any tenderer or any other person regarding this tender.

#### **24. INDEMNITY**

If a bidder breaches the conditions of this bid and, as a result of that breach, TNC incurs costs or damages (including, without limitation, the cost of any investigations, procedural impairment, repetition of all or part of the bid process and /or enforcement of intellectual property rights or confidentiality obligation), then the bidder indemnifies and hold TNC harmless from any and all such costs which the TNC may incur and for any damages or losses TNC may suffer.

#### **25. LIMITATION OF LIABILITY**

No bid shall be awarded to a bidder who is not tax compliant.

#### **26. TENDER DEFAULTERS AND RESTRICTED SUPPLIES**

No tender shall be awarded to a bidder whose name (or any of its members, directors, partners or trustees) appear on the Register of Tender Defaulters kept by National Treasury, or who have been placed on National Treasury's List of Restricted Suppliers. TNC reserves the right to withdraw an award, or cancel a contract concluded with a Bidder should it be established, at any time, that a bidder has been blacklisted with National Treasury by another government institution.

## 27. SECTION C POST AWARD CONDITION

27.1 **Agreement**- No other agreements except the Service Level Agreement will be signed with the contractor. The Service Level of Agreement must be signed by both parties and two (2) copies of the Service Level Agreement must be signed.

27.2 **Supplier Performance Management** – Supplier performance management will be the responsibility of end-user and where suppliers' performance disputes relating to the contract cannot be resolved between the Service Provider and relevant end-user, TNC SCM must be informed accordingly.



## ANNEXURE A

### EVALUATION CRITERIA-CAPACITY AND CAPABILITY

### BID NO. TNC/IA/18/2024

#### FUNCTIONALITY CRITERIA

Proposers will be assessed in terms of experience in a similar environment, financial stability, operational capacity, and quality management standards. **Only Service providers scoring 70 points and more will be considered for Price and Specific goals.**

FUNCTIONALITY CRITERIA	WEIGHTS
<p><b>DETAILED PROJECT METHODOLOGY</b></p> <p><b>1. PROJECT PLAN</b></p> <p>Bidders to submit a comprehensive project plan which must include the following:</p> <ol style="list-style-type: none"> <li>1. Clear timelines and deliverables</li> <li>2. Project approach and methodology</li> <li>3. Resources to be utilised as part of the project</li> <li>4. Detailed Skills transfer plan</li> </ol> <ul style="list-style-type: none"> <li>• No project plan and methodology = <b>00 Points</b></li> <li>• Project Plan that does not cover all points mentioned above = <b>15 Points</b></li> <li>• Project Plan the covers all points mentioned above = <b>30 Points</b></li> </ul>	<p><b>30 Points</b></p>
<p><b>2. PROFILE OF KEY STAFF</b> (CVs, certified copies of qualifications and proof of valid members with IIASA/SAICA must be attached for points to be allocated)</p>	<p><b>20 Points</b></p>

<p><b>i) Project team: Qualifications</b></p> <p><b>Director:</b> minimum of CIA, CA (Operational and Financial Audits qualifications). = <b>08 Points</b></p> <p><b>Audit Manager:</b> Postgraduate/Honour's in Internal Audit/Accounting = <b>05 Points</b></p> <p><b>Senior Auditor:</b> B. Tech or BCOM degree in Internal Audit/Accounting= <b>04 Points</b></p> <p><b>Junior Auditor: National Diploma</b> in Internal Audit/Accounting= <b>03 Points</b></p>	
<p><b>3.Team Members Experience</b></p> <p>(i) Director / Project Leader: minimum of 10 years or more of either Internal/External audit professional experience, include leading audit teams;</p> <p><b>10 years and more = 13 Points</b></p> <p><b>5- 09 years = 05 Points</b></p> <p><b>0 – 4 years = 00 Points</b></p> <p>(ii) Audit Manager, preferably 7 years or more of Internal/External audit professional experience, include leading audit teams.</p> <p><b>07 years and more = 08 Points</b></p> <p><b>5- 6 years = 05 Points</b></p> <p><b>0 – 4 years = 00 Points</b></p> <p>(iii) Senior Auditor: minimum of 5 years of either Internal/External audit experience = <b>05 Points</b></p> <p>(iv) Junior Auditors (minimum of 3): 3 years of Internal/External audit experience = <b>04 Points</b></p>	<p><b>30 Points</b></p>

<p><b>4.PREVIOUS ORGANISATION EXPERIENCE</b> (7 years' experience in similar projects)</p> <p>Provide contactable reference letters of relevant internal audit experience of the company in the public sector within the last seven (7) years with the tender amount.</p> <p>The service provider must demonstrate relevant experience in Internal Audit.</p> <p>Letters of references for similar work must be attached.</p> <p>Number of Letters</p> <ul style="list-style-type: none"> <li>• Five or more letters = <b>10 Points</b></li> <li>• Four letters = <b>08 Points</b></li> <li>• Three letters = <b>06 Points</b></li> <li>• Two letters = <b>04 Points</b></li> <li>• One letter = <b>02 Points</b></li> <li>• 0 letter = <b>00 Points</b></li> </ul>	<p><b>10 points</b></p>																											
<p><b>5.Bank Rating Letter (Not bank confirmation letter)</b></p> <p>Banking Rating of Company/ Consortium</p> <table border="1" data-bbox="129 1167 780 1592"> <thead> <tr> <th>Qualification</th> <th>Code</th> <th>Points</th> </tr> </thead> <tbody> <tr> <td>Banking Code</td> <td>A</td> <td>10</td> </tr> <tr> <td></td> <td>B</td> <td>08</td> </tr> <tr> <td></td> <td>C</td> <td>06</td> </tr> <tr> <td></td> <td>D</td> <td>04</td> </tr> <tr> <td></td> <td>E</td> <td>03</td> </tr> <tr> <td></td> <td>F</td> <td>0</td> </tr> <tr> <td></td> <td>G</td> <td>0</td> </tr> <tr> <td></td> <td>H</td> <td>0</td> </tr> </tbody> </table> <p>• Any rating below E Rating = 0 points</p>	Qualification	Code	Points	Banking Code	A	10		B	08		C	06		D	04		E	03		F	0		G	0		H	0	<p><b>10 Points</b></p>
Qualification	Code	Points																										
Banking Code	A	10																										
	B	08																										
	C	06																										
	D	04																										
	E	03																										
	F	0																										
	G	0																										
	H	0																										
<p><b>TOTAL</b></p>	<p><b>100 POINTS</b></p>																											

**FORM "A"**

**PRICING SUBMISSION AND DECLARATION**

**BID NO. TNC/IA/18/2024**

BIDDER'S NAME: -----

**PRICE INSTRUCTIONS**

**1. STRUCTURE OF THE TENDER**

This spreadsheet for BID – TNC/IA/18/2024 contains the financial response for the bid. The bid pricing submission instruction in the document must be read in conjunction with instructions and notes embedded in the pricing schedule.

**16.7. GENERAL INSTRUCTION FOR COMPLETING THE PRICING SCHUDELE TEMPLATE**

**2.1 Bid submission format**

2.1.1 Bidders must submit the pricing submission with price schedule and price declaration in the same envelope, the bid number, bid description and bidder's name must be stated on the envelope.

2.1.2 Price schedule may be retyped but need to replicate the exact format as Provided in the template; and

2.1.3 The bidder shall submit One Original copy clearly marked 'ORIGINAL' .

Bid No: TNC/IA/18/2024

Bid Description: INTERNAL AUDIT

Bid Closing date and time: 29 July 2024:11H00

Name and address of bidder:

## **2.2 Currency and VAT**

2.2.1 All bidders' pricing must be quoted in South African Rand; and the pricing schedule template must be completed with unit price + vat-if the bidder is VAT registered.

### 3.1 PRICE DECLARATION

**Dear Sir/ Madam**

Having read through and examined the request for proposal (RFP) Document, the General Conditions, the Terms of Reference and all other Forms and Annexures to the RFP document, we offer to conduct the internal audit service at TNC, Kgosi Mampuru and Pretorius Street, Tshwane for the period of 36 months.

We undertake to hold this offer (as per cost breakdown matrix) open for acceptance for a period of **90 days** from the date of submission of the offers. We further undertake that upon final acceptance of our offer, we will commence with the provision of services when required to do so by the Tshwane North TVET College.

We understand that the Tshwane North TVET College are not bound to accept the lowest or any offer and that we must bear all costs which we have incurred in connection with preparing and submitting this bid.

\_\_\_\_\_

Signature

\_\_\_\_\_

Date

Print name signatory-----

Designation-----

FOR AND ON BEHALF OF (Company name) -----

Tel No:-----

Fax No:-----

Cell No:-----

Email:-----



**PRICING SCHEDULE**

**PRICING SCHEDULE**

**SBD 3.3**

**Internal Audit (Professional Services)**

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

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

ITEM NO	CURRENCY	DESCRIPTION	BIDPRICE IN RSA
*(ALL APPLICABLE TAXES NCLUDED)			

1. The accompanying information must be used for the formulation of proposals.
2. 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.....

3. Persons who will be involved in the project and rates applicable (certified invoices must be rendered in terms hereof)

4. Person and position	HOURLY RATE	DAILY RATE	
-----		R-----	-----
-----		R-----	-----

----- R-----  
 ----- R-----  
 ----- R-----

5. Phases according to which the project will be completed, cost per phase and man-days to be spent

----- R----- days  
 ----- R----- days  
 ----- R----- days  
 ----- R----- days

TOTAL: R.....

**\*\* "all applicable taxes" includes value- added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.**

- 6. Period required for commencement with project after acceptance of bid.....
- 7. Are the rates quoted firm for the full period of contract? **\*YES/NO**
- 8. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.

.....  
 .....

**\*[DELETE IF NOT APPLICABLE]**

Any enquiries regarding bidding procedures may be directed to the –

SUPPLY CHAIN MANAGEMENT MANAGER:

TSHWANE NORTH COLLEGE

Tel: 012 401 1641

Email: [gift.matjomane@tnc.edu.za](mailto:gift.matjomane@tnc.edu.za)

**BIDDER’S DISCLOSURE**

**1. PURPOSE OF THE FORM**

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

**2. Bidder’s declaration**

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest<sup>1</sup> in the enterprise,

employed by the state? **YES/NO**

2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

Full Name	Identity Number	Name of State institution

**2.2** Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....  
.....

**2.3** Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract? **YES/NO**

2.3.1 If so, furnish particulars:

.....  
.....

\_\_\_\_\_

1 the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise

I, the undersigned, (name)..... in submitting the accompanying bid, do hereby make the following statements that I certify to be true and complete in every respect:

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 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<sup>2</sup> will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 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.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 3.6 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.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....

Signature

Date

.....

Position

Name of bidder

2 Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

\_\_\_\_\_

## **SBD 6.1**

### **1. PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022**

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

**NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022**

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#### **GENERAL CONDITIONS**

14.1.7 The following preference point systems are applicable to invitations to tender:

- 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).

14.1.8 To be completed by the organ of state

The applicable preference point system for this tender is the 90/10 preference point system.

- b) The applicable preference point system for this tender is the 80/20 preference point system.
- c) Either the 90/10 or 80/20 preference point system will be applicable in this tender. The lowest/highest acceptable tender will be used to determine the accurate system once tenders are received.

14.1.9 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:



- (c) Price; and
- (d) Specific Goals.

14.1.10 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	<b>POINTS</b>
<b>PRICE</b>	<b>80</b>
<b>SPECIFIC GOALS</b>	<b>20</b>
<b>Total points for Price and SPECIFIC GOALS</b>	<b>100</b>

**14.1.11 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.**

14.1.12The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

## **1. DEFINITIONS**

- (f) “tender” means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (g) “price” means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (h) “rand value” means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (i) “tender for income-generating contracts” means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (j) “the Act” means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

## **2. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES**

### **2.1 POINTS AWARDED FOR PRICE**

#### **3.1.1 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 price of tender under consideration

$P_t$  = Price of tender under consideration

$P_{\min}$  = Price of lowest acceptable tender

## 2.2 FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

### 2.2.1 POINTS AWARDED FOR PRICE

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

**80/20**

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

Where

$P_s$	=	Points scored for price of tender under consideration
$P_t$	=	Price of tender under consideration
$P_{max}$	=	Price of highest acceptable tender

## 5.POINTS AWARDED FOR SPECIFIC GOALS

2.3 In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

2.4 In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

2.4.1 an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system: or

2.4.2 any other invitation for tender, that either the 80/20 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system

**Table 1: Specific goals for the tender and points claimed are indicated per the table below.**

***(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.***

***Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)***

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system)  (To be completed by the organ of state)	Number of points claimed (80/20 system)  (To be completed by the tenderer)
Persons historically disadvantaged on the basis of race (at the date of closing of tender)	100% black owned =4 points 75% - 99% black owned 03 =points 60% - 74% black owned 02 =points 51% - 59% black owned 01 =points 0 - 50% black owned	
Persons historically disadvantaged based on gender. (at the date of closing of tender)	100% women owned 04 =points 75% - 99% women owned 03=points 60% - 74% women owned 02=points 51% - 59% women owned 1 =points 0 - 50% women owned 0 =points	

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<p><b>Development of youth (at the date of closing of tender)</b></p>	<p>100% Youth owned 04=points</p> <p>75% - 99% Youth owned 03=points</p> <p>60% - 74% Youth owned 02=points</p> <p>51% - 59% Youth owned 01=points</p> <p>0 - 50% Youth owned 0=points</p>	
<p><b>Development of SMMEs (at the date of closing of tender)</b></p>	<p>Exempted micro-enterprises (EMEs) - Annual total revenue of ZAR 10 million or less 04=points</p> <p>Qualifying small enterprises (QSEs) - Annual total revenue of between ZAR 10 =million and ZAR 50 million = 02=points</p> <p>Large Enterprise - annual total revenue of ZAR 50 million or more. 01 =points</p>	

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Development of Local enterprise	<p><b>Business address is within the City of Tshwane (Pretoria) 04=point</b></p> <p><b>Business address is within the border of Gauteng Province 02=points</b></p> <p><b>Business address is Outside the border of Gauteng Province 01=points</b></p>	

**1. DECLARATION WITH REGARD TO COMPANY/FIRM**

1.1 Name of company/firm:.....

1.2 VAT registration number:.....

1.3 Company registration  
Number:.....

**1.4 TYPE OF COMPANY/ FIRM**

- Partnership/Joint Venture / Consortium
- One person business/sole propriety
- Close corporation
- Company
- (Pty) Limited [TICK APPLICABLE BOX]

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5.5. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

i) The information furnished is true and correct;

i) The preference points claimed are in accordance with the General Conditions as indicated in

paragraph 1 of this form;

ii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;

iii) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have

—

(a) disqualify the person from the tendering 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 tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of

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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, if deemed necessary.

.....	
<b>SIGNATURE(S) OF TENDERER(S)</b>	
<b>SURNAME AND NAME:</b>	.....
<b>DATE:</b>	.....
<b>ADDRESS:</b>	.....
	.....
	.....
	.....

# GOVERNMENT PROCUREMENT

## GENERAL CONDITIONS OF CONTRACT

### 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.

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## General Conditions of Contract

**1. Definitions** The following terms shall be interpreted as indicated:

1.1 “Closing time” means the date and hour specified in the bidding document and 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 purchaser, including all attachments and appendices thereto and all documents incorporated by reference therein.

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

1.5 “Corrupt practice” means the offering, giving, receiving, or soliciting anything of value to influence the action of a public official in the procurement process or in contract execution.

"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, produced or from which the services are supplied. Goods are produced through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results therefrom, or substantially different in basic characteristics or in purpose or utility from components.

“Country of origin” means the place where the goods were mined, grown, produced or from which the services are supplied. Goods are produced through

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through manufacturing, processing or substantial and major assembly components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from the original components.

1.7 “Day” means calendar day.

1.8 “Delivery” means delivery in compliance with 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 consignee’s 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.

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- 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.

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- 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 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](http://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

- 5.1 The supplier shall not, without the purchaser's prior written consent, **contract** disclose the contract, or any provision thereof, or any specification, **documents** plan, drawing, pattern, sample, or information furnished by or on **and** behalf of the purchaser in connection therewith, to any person other **information;** than a person employed by the supplier in the performance of the **inspection.** contract.

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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, **security** 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.

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- 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:
- 7.3.1 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
- 7.3.2 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,**

- 8.1 All pre-bidding testing will be for the account of the bidder. tests and **analyses**
- 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

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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**

- 10.1 Delivery of the goods shall be made by the supplier in accordance with **and documents** 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**

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

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- (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

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(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.

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## 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

- 18.1 No variation in or modification of the terms of the contract shall be **amendments** 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.

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## 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

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

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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

23.1 The purchaser, without prejudice to any other remedy for breach of **for default** 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.

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- 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

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(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

24.1 When, after the date of bid, provisional payments are required, or anti **and countervailing** dumping or countervailing duties are imposed, or the amount of a **duties and rights** 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 favorable 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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## 25. Force

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the **Majeure** 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.

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.

## 26. Termination

26.1 The purchaser may at any time terminate the contract by giving written **for insolvency** 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.

## 27. Settlement of

27.1 If any dispute or difference of any kind whatsoever arises between the **Disputes** 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.

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.

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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.

27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

27.5 Notwithstanding any reference to mediation and/or court proceedings herein,

- (a) the parties shall continue to perform their respective obligations **under** the contract unless they otherwise agree; and
- (b) the purchaser shall pay the supplier any monies due the supplier.

## **28. Limitation of**

28.1 Except in cases of criminal negligence or willful misconduct, and in **liability** 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
- (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.

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- 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.

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**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.

34.2 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.

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