



HARRY GWALA DEVELOPMENT AGENCY (PTY) LTD
2011/001221/07

Harry Gwala Farmers Market, Erf 2226
Portion 27 of the Farm Ellerton, IXOPO 3276
Tel: 073 053 7034
Website: www.hgda.co.za

BUDGET AND TREASURY – SUPPLY CHAIN MANAGEMENT

PROVISION OF TRAVEL AGENCY SERVICES FOR A PERIOD OF THIRTY-SIX (36) MONTHS FOR THE HARRY GWALA DEVELOPMENT AGENCY (HGDA)

BID No- HGDA 002-2023/24

CLOSING DATE: _____

CLOSING TIME: _____

NAME OF BIDDER: _____

POSTAL ADDRESS: _____

TELEPHONE NUMBER: _____

FAX NUMBER: _____

E- MAIL ADDRESS: _____

TENDER SUM (ALL INCLUSIVE) (to be reflective as a percentage): _____

The bid documents must be clearly marked:

PROVISION OF TRAVEL AGENCY SERVICES FOR A PERIOD OF THIRTY-SIX (36) MONTHS FOR THE HARRY GWALA DEVELOPMENT AGENCY (HGDA)

BID NUMBER: HGDA 002-2023/24

*Bid documents must be deposited in the tender box marked "PROVISION OF TRAVEL AGENCY SERVICES FOR A PERIOD OF THIRTY-SIX (36) MONTHS FOR THE HARRY GWALA DEVELOPMENT AGENCY (HGDA)" located at the reception area at Harry Gwala Development Agency (HGDA), Farmers Market, Portion 27 of the Farm Ellerton, Erf 2226, Ixopo not later than **09 OCTOBER 2023 at 12h00**. Bidders must attach the following mandatory returnable documents to be considered for this bid and must note the applicable conditions:*

- *Price (s) quoted must be firm and must be inclusive of VAT (MBD3.1)*
- *Copy of CSD (Central Supplier Database) summary report (not older than 3 months)*
- *Copy of Company Registration documents (compulsory)*
- *For Joint Venture Agreements, attach the CK's of each of the joint venture members (if applicable)*
- *Certified ID(s) copies of company director(s)*
- *Copy of current municipal account for all Director/s and Company (not older than 3 months) or copy of lease agreement from the relevant leasing authority. If the business is operated from the residence of one of the Director/s, an original affidavit, certified, must be submitted stating the address of the premises preferably from your local SAPS office.*
- *Printed copy of tax clearance certificate accompanied by a pin for further verification.*
- *Completed and signed Bidding Document attached to the tender document.*

The following conditions will apply:

- **Price(s) quoted must be valid for at least ninety (90) days from date of your offer (tender validity).**
- **Price(s) quoted must be firm and must be inclusive of VAT and disbursements.**
- **Your valid tax clearance certificate must be attached.**

NB: No quotations will be considered from persons in the service of the state or persons who owe rates, services, and taxes to any Municipality for a period longer than 90 days.

TENDER ADVERT

PROVISION OF TRAVEL AGENCY SERVICES FOR A PERIOD OF THIRTY-SIX (36) MONTHS FOR THE HARRY GWALA DEVELOPMENT AGENCY (HGDA)

HGDA 002-2023/24

The Harry Gwala Development Agency (Pty) Ltd hereby invites proposals from reputable Service Providers with extensive national and regional travel management experience, to coordinate and manage the Harry Gwala Development Agency's travel requirements efficiently for a period of 3 years.

The scope of work and bid requirements is stipulated hereunder.

The evaluation of bids will be done in two stages in the following manner:

- First Stage - Functionality
- Second Stage - Price and Preference

POINTS AWARDED SPECIFIC GOALS

The 80/20 Preferential Points System will be applied, where 80 points will be allocated for price and 20 points for the HGDA specific goals that in on ownership and RDP (as outlined in the document MBD 6.2)

Goal 1 Ownership – 10 points. Goal 2 RDP – 10 points

The Bid documents can be downloaded from the Harry Gwala Development Agency (Pty) Ltd website www.hgda.co.za and e-tender portal at no cost.

Sealed Bids Documents marked "**Bid No. HGDA – (002-2023/24) "PROVISION OF TRAVEL AGENCY SERVICES FOR A PERIOD OF THIRTY-SIX (36) MONTHS FOR THE HARRYGWALA DEVELOPMENT AGENCY (HGDA)"**" maybe be couriered with courier services at least 2 days before closing date to avoid late delivery or be hand delivered and must be deposited in the **TENDER BOX** located at the Reception Area, Harry Gwala Development Agency, Farmers Market, Portion 27 of the Farm Ellerton, Erf 2226, Ixopo, not later than **09 OCTOBER at 12H00**, bids will be opened in public. Late, telegraphic, emailed or faxed bids will not be considered.

Tenderers that submit tenders by courier retain the responsibility of ensuring that tender documents submitted are placed in the tender box. This is not the responsibility of the Agency. Tenders are to adhere to the General Conditions of Contract and the SCM Policy of Harry Gwala Development Agency.

Technical Enquiries: Tourism Officer: Mrs S Mafongosi on (066 116 1701 or email: siphokazi.mbalo@hgda.co.za), Supply Chain Management enquiries: Supply Chain Practitioner: Miss N Malunga (073 053 7034 or email: neliswa.malunga@hgda.co.za)

Harry Gwala Development Agency (Pty) Ltd does not bind itself to accept the lowest or any bid and reserves the right to accept the Bid in whole or part, at the rates quoted.



MS A.C.R. WHYTE
CHIEF EXECUTIVE OFFICER
NOTICE NO: 10 – 23/24

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1. INTRODUCTION

Harry Gwala Development Agency (Pty) Ltd (HGDA) invites experienced, reputable, capable, effective and suitably qualified Travel Management Companies (TMC) to submit proposals for the provision of travel management services.

2. PURPOSE

The primary objective in issuing the request is to enter into agreement with successful bidders who will achieve the following:

- a. Provide HGDA with the Travel management services that are consistent and reliable and will maintain a high level of traveler satisfaction in line with the service levels;
- b. Achieve significant cost savings for HGDA without any degradation in the services;
- c. Appropriately contain HGDA's risk and traveler's risk.

3. DEFINITION

Accommodation means the rental of lodging facilities while away from one's place of abode, but on authorized official duty.

After-hours service refers to an enquiry or travel request that is actioned after normal working hours, i.e. 17h00 to 20h00 on Mondays to Fridays and twenty-four (24) hours on weekends and public holidays.

Air travel means travel by airline on authorized official business.

Authorizing Official means the employee who has been delegated to authorize travel in respect of travel requests and expenses, e.g. line manager of the traveler.

Car Rental means the rental of a vehicle for a short period of time by a Traveler for official purposes.

Domestic travel means travel within the borders of the Republic of South Africa.

Emergency service means the booking of travel when unforeseen circumstances necessitate an unplanned trip or a diversion from original planned trip.

International travel refers to travel outside the borders of the Republic of South Africa.

Purchase Order is the official document utilised by the institution reflecting the detail and order number of the trip that is approved by the relevant authorizing official.

Quality Management System means a collection of business processes focused on consistently meeting customer requirements and enhancing their satisfaction. It is expressed as the organizational structure, policies, procedures, processes and resources needed to implement quality management.

Regional travel means travel across the border of South Africa to any of the SADC Countries, namely; Angola, Botswana, Democratic Republic of Congo (DRC), Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe.

Service Level Agreement (SLA) is a contract between the TMC and HGDA that defines the level of service expected from the TMC.

Shuttle Service means the service offered to transfer a traveler from one point to another, for example from place of work to the airport.

Traveler refers to an HGDA official, consultant or contractor travelling on official business on behalf of HGDA.

Travel Booker is the person coordinating travel reservations with the Travel Management Company (TMC) consultant on behalf of the traveler, i.e. Supply Chain Management Office.

Travel Management Company or TMC refers to the company contracted to provide travel management services (Travel Agents).

Travel Voucher means a document issued by the Travel Management Company to confirm the reservation and/or payment of specific travel arrangements.

Value Added Services are services that enhance or complement the general travel management services e.g. Rules and procedures of the airports.

VAT means Value Added Tax.

4. SCOPE OF WORK

At a minimum the travel agency services must comply with the National Treasury's National Travel Policy Framework (including air travel, road transport, and accommodation) and manage traveller profiles, relating to the following:

- a. A workflow communication platform to be set up according to the HGDA's requirements.
- b. The TMC must submit travel documentation electronically to the travel booker and the traveler –by means of both SMS and email.
- c. A comprehensive library of reports (transactional and behavioral based) must be submitted as per the HGDA's requirements.

4.1 SERVICE REQUIREMENTS

The successful bidder will be required to provide travel management services. Deliverables under this section include without limitation, the following:

- a. The travel services will be provided to all Travelers travelling on behalf of HGDA, locally and internationally. This will include employees and contractors, consultants and clients where the agreement is that HGDA is responsible for the arrangement and cost of travel.
- b. Provide travel management services during normal office hours (Monday to Friday 8h00 – 17h00) and provide after hours and emergency services.
- c. Familiarization with current HGDA travel business processes.
- d. Negotiate better deals with travel service providers for the benefit of HGDA.
- e. Familiarization with National Travel Policy Framework and implementation of controls to ensure compliance.
- f. Penalties incurred as a result of the inefficiency or fault of a travel consultant will be for the TMC's account, subject to the outcome of a formal dispute process.
- g. Provide a facility for HGDA to update their travelers' profiles.
- h. Manage the third-party service providers by addressing service failures and complaints against these service providers.
- i. Consolidate all invoices from travel suppliers.
- j. Provide a detailed transition plan for implementing the service without service interruptions and engage with the incumbent service provider to ensure a smooth transition.

5. RESERVATIONS

The Travel Management Company will:

- a. Receive travel requests from travel bookers, respond with quotations (confirmations) and availability. The TMC's quotation must always be accompanied by third party quotation in terms of accommodation, conferences as well as car rentals.
- b. Upon the receipt of the relevant approval, the travel agent will issue the required e-tickets and vouchers immediately and send it to the travel booker and traveler via the agreed communication medium.
- c. Always endeavor to make the most cost-effective travel arrangements based on the request from the travel bookers.

- d. Apprise themselves of all travel requirements for destinations to which travelers will be travelling and advise the Traveler of alternative plans that are more cost effective and more convenient where necessary.
- e. Obtain a minimum of three (3) price comparisons for all travel requests where the routing or destination permits. Service providers are required to always book negotiated discounted fares and rates where possible.
- f. Negotiated airline fares, accommodation establishment rates, car rental rates, etc. that are negotiated directly or established by National Treasury or by HGDA are non-commissionable; where commissions are earned for HGDA bookings, all these commissions must be returned to HGDA on a quarterly basis.
- g. Must keep abreast of carrier schedule changes as well as all other alterations and new conditions affecting travel and make appropriate adjustments for any changes in flight schedules prior to or during the traveler's official trip. When necessary, e-tickets and billing shall be modified and reissued to reflect these changes.
- h. Where required, book parking facilities at the airports for the duration of the travel.
- i. Respond timely and process all queries, requests, changes and cancellations timeously and accurately.
- j. Must be able to facilitate group bookings, which means arrangement of venues and refreshments for a large group attending meetings and conferences.
- k. Conference and meeting booking include making sure that venues, meals and sound and PA systems are provided for.
- l. Must issue all necessary travel documents, itineraries and vouchers timeously to traveler(s) prior to departure dates and times. Ensure confidentiality in respect of all travel arrangements.
- m. Advise the Traveler of all visa and inoculation requirements well in advance. Visa applications will be the responsibility of the TMC; however, the relevant information must be supplied to the traveler(s) where Visas will be required.
- n. Assist with the arrangement of foreign currency and the issuing of travel insurance for international trips where required.
- o. Facilitate any reservations that are not bookable on the Global Distribution System (GDS).
- p. Facilitate the bookings that are generated through their own- or third-party Online Booking Tool (OBT) where it can be implemented.
- q. All travel bookings include domestic, regional and international.

- r. Submit proof that services have been satisfactorily delivered.

5.1 AIR TRAVEL

- a. The TMC must be able to book full service carriers as well as low cost carriers.
- b. The TMC will book the most cost effective airfares possible for domestic travel.
- c. For international flights, the airline which provides the most cost effective and practical routings may be used.
- d. The TMC should obtain three or more price comparisons where applicable to present the most cost effective and practical routing to the traveler.
- e. The airline ticket should include the applicable airline agreement number as well as the individual loyalty program number of the traveler (if applicable).
- f. Airline tickets must be delivered electronically (SMS and/or email format) to the traveler(s) and travel bookers promptly after booking before the departure times.
- g. The TMC will also assist with the booking of charters for VIPs utilizing the existing transversal term contract where applicable as well as the sourcing of alternative service providers for other charter requirements.
- h. The TMC will be responsible for the tracking and management of unused e-tickets as per agreement with the institution and provide a report on refund management once a quarter.
- i. Ensure that travelers are always informed of any travel news regarding airlines (like baggage policies, checking in arrangements, etc.)
- j. Assist with lounge access if and when required.

5.2 EVENT COORDINATION

- a. Co-ordination of logistics: The Events Coordinator shall include set-up and the dismantling of all assets, etc. This must also include ensuring that the venue is clean and litter free after the event. The site/venue must be inspected prior to the event on the day agreed upon.
- b. Due care and diligence The Events Coordinator must exercise care and diligence in the performance of its duties as contemplated in this contract and will be liable to HGDA in the event of failure to exercise such due care and diligence, as this could result in the termination of the contract.
- c. Erection of marquees and scaffolding: The Events Coordinator must ensure that when erecting marquees or scaffolding, the necessary certificates are obtained from the suppliers and have to be in compliance with the Disaster Management Act.

- d. Weather condition: The Events Coordinator may be expected to provide air conditioners, including heaters, to the marquee when the weather is at extremes.
- e. Refreshments: The Events Coordinator must ensure that a detailed menu is discussed with the liaison officer for refreshments to be served.
- f. Lunch provision for guests: The Events Coordinator shall ensure that sufficient personnel are available to service all tables.
- g. Entertainment: Where required the Events Coordinator shall secure an appropriate professional and non-professional artist(s) to provide entertainment to the audience. Selected artists performing must be negotiated between the Events Coordinator and the Harry Gwala Development Agency official. An appropriate stage and sound system must be provided in terms of technical requirements of artist/s.
- h. Communication: The Harry Gwala Development Agency will provide or nominates person(s) who will be in direct contact with the events coordinator for the purposes of the event. The events coordinator shall ensure that there is one designated person to manage the event, who will be available on a 24-hour basis. The details of such a person shall be communicated to the liaison officer prior to the event.
- i. Tour Activities: The Events Coordinator must arrange tour activities as per itinerary.

5.3 ACCOMMODATION

- a. The TMC will obtain price comparisons within the maximum allowable rate matrix as per the cost containment instruction of the National Treasury.
- b. The TMC will obtain three price comparisons from accommodation establishments that provide the best available rate within the maximum allowable rate and that is located as close as possible to the venue or office or location or destination of the traveler. This includes planning, booking, confirming and amending of accommodation with any establishment (hotel group, private hotel, guest house or Bed & Breakfast) in accordance with National Travel Policy Framework.
- c. The TMC will source suitable accommodation bearing in mind the requirement of convenience for the traveler and conformation with acceptable costs, or as stipulated in written directives issued from time to time by the National treasury.
- d. Accommodation vouchers must be issued to all HGDA travelers for accommodation bookings and must be invoiced to HGDA as per arrangement. Such invoices must be supported by a copy of the original hotel accommodation charges.

- e. The TMC must during their report period provide proof, where applicable, that accommodation rates were booked within the maximum allowable rates as per the cost containment instruction of the National Treasury.
- f. The cancellation of accommodation bookings must be done promptly to guard against no show and late cancellation fees.

5.4 CAR RENTAL AND SHUTTLE SERVICES

- a. The TMC will book the approved category vehicle in accordance with the National Treasury Travel Policy Framework with the appointed car rental service provider from the closest rental location (airport, hotel and venue).
- b. The travel consultant should advise the traveler on the best time and location for collection and return considering the traveler's specific requirements.
- c. The TMC must ensure that relevant information is shared with travelers regarding rental vehicles, like e-tolls, insurance, refueling, keys, rental agreements, damages, accidents, etc.
- d. For international travel the TMC may offer alternative ground transportation to the Traveler that may include rail, buses and transfers.
- e. The TMC will book transfers in line with the National Treasury Travel Policy Framework with the appointed and/or alternative service providers. Transfers can also include bus and coach services.
- f. The TMC should manage shuttle companies on behalf of the HGDA and ensure compliance with minimum standards. The TMC should also assist in negotiating better rates with relevant shuttle companies.
- g. The TMC should provide the entity with three quotations in case of shuttle services not covered in terms of National Treasury Travel Policy Framework.
- h. The TMC must during their report period provide proof that negotiated rates were booked, where applicable.

5.5 AFTER HOURS AND EMERGENCY

- a. The TMC must provide a consultant or team of consultants to assist travelers with after-hours and emergency reservations and changes to travel plans. In addition, a dedicated consultant/s must be available to assist with after hour or emergency assistance, including weekends and public holidays.
- b. After hours' services must be provided from Monday to Friday outside the official hours (17h00 to 8h00) and twenty-four (24) hours on weekends and Public Holidays.
- c. A call center facility or after hours contact number should be available to all travelers so that when required, unexpected changes to travel plans can be made and emergency bookings attended to.

- d. The Travel Management Company must have a standard operating procedure for managing after-hours and emergency services. This must include purchase order generation of the request within 24 hours.

5.6 COMMUNICATION

- a. The TMC may be requested to conduct workshops and training sessions for Travel Bookers of HGDA
- b. All enquiries must be investigated, and prompt feedback be provided in accordance with the Service Level Agreement.
- c. The TMC must ensure sound communication with all stakeholders. Link the business traveler, travel coordinator, Travel Management Company in one smooth continuous workflow.

5.7 FINANCIAL MANAGEMENT

- a. The TMC must implement the rates negotiated for HGDA with travel service providers or the discounted air fares, or the maximum allowable rates established by the National Treasury where applicable.
- b. The TMC will be responsible for managing the service provider accounts. This will include the timely receipt of invoices to be presented to HGDA for payment within the agreed time period.
- c. Enable savings on total annual travel expenditure and this must be reported, and proof provided during monthly and quarterly reviews.
- d. The TMC will be required to offer a 30-days payment account facility.
- e. Where pre-payments are required for smaller Bed & Breakfast /Guest House facilities, these will be processed by the TMC. These are occasionally required at short notice and even for same day bookings.
- f. The TMC is responsible for the consolidation of invoices and supporting documentation to be provided to HGDA's Financial Management Division on the agreed time period (e.g. weekly, monthly, etc.). This includes attaching the Travel Authorization or Purchase Order and other supporting documentation to the invoices reflected on the Service provider payment report.
- g. Ensure Travel Supplier accounts are settled timeously.
- h. Quarterly reviews are required to be presented by the TMC on all HGDA's travel activity in the previous three-month period.

5.8 TECHNOLOGY, MANAGEMENT INFORMATION AND REPORTING

- a. The TMC must have the capability to consolidate all management information related to travel expenses into a single source document with automated reporting tools.
- b. The implementation of an Online Booking Tool to facilitate domestic, regional and international bookings should be considered to optimize the services and related fees.
- c. All management information and data input must be accurate.
- d. The TMC will be required to provide the HGDA with a minimum of three (3) standard monthly reports that are in line with the National Treasury's Cost Containment Instructions reporting template requirements at no cost. The reporting templates can be found on the National Treasury website. <http://www/treasury.gov.za/legislation/pfma/TreasuryInstruction/AccountantGeneral.aspx>
- e. Reports must be accurate and be provided as per HGDA's specific requirements at the agreed time. Information must be available on a transactional level that reflects detail including the name of the traveler, date of travel, spend category (example air travel, shuttle, accommodation, etc.).
- f. Reports must be available in an electronic format, for example Microsoft electronic format.
- g. Service Level Agreement reports must be provided on the agreed date. It will include but will not be limited to the following:

Travel

- i. After hours' Report;
- ii. Compliments and complaints;
- iii. Consultant Productivity Report;
- iv. Long term accommodation and car rental;
- v. Extension of business travel to include leisure;
- vi. Upgrade of class of travel (air, accommodation and ground transportation);
- vii. Bookings outside Travel Policy;
- viii. Exceptional report

Finance

- i. Reconciliation of commissions/rebates or any volume driven incentives;

- ii. Creditor's ageing report;
- iii. Creditor's summary payments;
- iv. Daily invoices;
- v. No show report;
- vi. Cancellation report;
- vii. Receipt delivery report;
- viii. Monthly statements with disputed invoices indicated separately;
- ix. Refund Log;
- x. Open voucher report, and
- xi. Open Age Invoice Analysis.

The TMC will implement all the necessary processes and programs to ensure that all the data is secure at all times and not accessible by any unauthorized parties.

5.9 ACCOUNT MANAGEMENT

- a. An Account Management structure should be put in place to respond to the needs and requirements of the HGDA and act as a liaison for handling all matters with regard to delivery of services in terms of the contract.
- b. The TMC must appoint a dedicated Account or Business Manager that is ultimately responsible for the management of the HGDA's account.
- c. The necessary processes should be implemented to ensure good quality management and ensuring Traveler satisfaction at all times.
- d. A complaint handling procedure must be implemented to record, manage and resolve the complaints of the TMC and other travel service providers.
- e. The Service Level Agreement (SLA) must be managed, and customer satisfaction surveys conducted to measure the performance of the TMC.
- f. Ensure that workshops/training is provided to Travelers and/or Travel Bookers
- g. During reviews, comprehensive reports on the travel spend and the performance in terms of the SLA must be presented.

5.10 VALUE ADDED SERVICES

The TMC must provide the following value added services:

- a. Destination information for domestic, regional and international destinations:

- Health warnings;
 - Weather forecasts;
 - Places of interest;
 - Danger hotspot areas;
 - Visa information;
 - Travel alerts.
 - Location of hotels and restaurants.
 - Information including the cost of public transport.
 - Rules and procedures of the airports.
 - Business etiquette specific to the country.
 - Airline baggage policy; and
 - Supplier updates
- b. Electronic voucher retrieval via web and smart phones.
 - c. SMS notifications for travel confirmations.
 - d. Travel audits.
 - e. Global Travel Risk Management

5.11 COST MANAGEMENT

- a. The National Treasury cost containment initiative is establishing the basis for a cost savings culture.
- b. It is the obligation of the TMC Consultant to advise on the most cost-effective option at all times, and costs should be within the framework of the National Treasury's cost containment instructions.
- c. The TMC plays a pivotal role to provide high quality travel related services that are designed to strike a balance between effective cost management, flexibility and traveler satisfaction.
- d. The TMC should have in-depth knowledge of the relevant supplier(s)' products, to be able to provide the best option and alternatives that are in accordance with National Treasury's cost containment instructions to ensure that the traveler reaches his/her destination safely, in reasonable comfort, with minimum disruption, cost effectively and in time to carry out his/her business.

5.12 OFFICE MANAGEMENT

The TMC to ensure high quality service to be delivered at all times to the HGDA's travelers. The TMC is required to provide HGDA with highly skilled and qualified human resources of the following roles but not limited to:

- a. Initiative
- b. Reliability and discretion.
- c. Leadership and ability to make things happen.
- d. Communication and relationship management.
- e. Able to co-ordinate support services.
- f. Preparing reports and financial data.
- g. Customer relations.
- h. Time management

6. PERIOD / DURATION OF THE PROJECT

The service provider must enter into a 36 (thirty-six) month service level agreement with Harry Gwala Development Agency for the provision of travel and related services.

The contract between Harry Gwala Development Agency and the successful bidder shall officially commence from the date of signing the Service Level Agreement relating to the appointment of Service Providers which will be signed between the service provider and the Agency.

7. COSTS FOR PREPARATION OF RESPONSE

The costs incurred by the Service Provider in respect to the preparation of any proposal will be borne by the Service Provider with no liability shared or owned by the Agency.

8. OWNERSHIP OF DOCUMENTS SUBMITTED IN RESPONSE

The Harry Gwala Development Agency shall on receipt of any proposal relating to this Bid and submitted in accordance with this Bids procedure, become the owner thereof and shall not be obliged to return any proposals to Service Providers who request such a return.

9. CONFIDENTIALITY

The entire process of calling for proposals as initiated in terms of the Agency's Recruitment and Selection Policy is confidential.

All deliberations in respect of the acceptability or otherwise of the proposals shall be conducted in closed sessions and members of the Evaluation, Bid Adjudication and Procurement Committee are bound by confidentiality.

10. ETHICS

Any attempt by a Service Provider to obtain confidential information or enter into unlawful agreements with competitors or influence the Evaluation and / or the Bid Adjudication and / or any official, agent or representative of the Agency during the process of examining, evaluating and comparing proposals will lead to the rejection of its proposal in its entirety. The Service Provider must declare any business or other interests it has with the Agency and / or the Harry Gwala District Municipality as the "parent" Municipality,

Failing which the Service Provider shall be automatically disqualified from further participation in the RFP / RFQ.

11. CANCELLATION

The Harry Gwala Development Agency shall be entitled, within its sole and entire discretion, to cancel this RFP/RFQ at any time and shall notify the Service Providers accordingly. The Agency shall in no way be liable for any damages whatsoever, including, without limitation, damages for loss of profit, in any way connected with the cancellation of this RFP/RFQ procedure. The publication of an invitation to call for proposals does not commit the Agency to appoint any of the qualifying Service Providers.

12. EVALUATION / FUNCTIONALITY CRITERIA

Bidders are required to demonstrate their ability to undertake the work and provide proof of experience, personnel and financial ability to undertake work of this nature.

Bid offers that fail to score the minimum number of points for the first stage shall be rejected. The onus rests with the bidders to supply sufficient information to allow for the proper scoring, evaluation and award of points.

Tenders will be pre-evaluated on the criteria as set out below. Bidders that score less than 60 out of 100 points for this criteria will be regarded as non-responsive. Unclear, vague, fragmented or incomplete information provided will result in no points being allocated. The Bid Evaluation Committee reserves the right to request any documentation required to perform a meaningful functionality pre-evaluation. Bidders must therefore ensure that only relevant information is submitted. Please note that all feedback requested is time barred and SCM Evaluation team will not award any points for late submission and/or lack of response. The following criteria will be used to calculate points for the functionality of tenders and bidders should ensure that they submit all information in order to be pre-evaluated on the criteria mentioned below:

NO	CRITERIA	MAXIMUM POINTS	BIDDERS POINTS
1	Company (or JV) Experience	40	
2	Key Personnel	20	
3	Credit Facility	15	
4	Financial Viability	25	
		100	

Functionality criteria are further divided as follows and points will be awarded as indicated below:

i. Company (or JV) Experience [40]

Proven track record in providing travel agency services for a minimum of 4 years including the year 2022. Experience of Tenderer both registered Private and Public Sector= 40 points

VERIFICATION

- a. 1 Signed Appointment letter/order and a signed referral letter = 10 points
- b. 2 Signed appointment letters/orders and a signed referral letters = 20 points
- c. 3 Signed Appointment letters/orders and a signed referral letters = 30 points
- d. 4 or more Signed Appointment letters/orders and a signed referral letters = 40 points

ii. Key Personnel [20] Key Personnel must possess a National Diploma in Travel and Tourism or Relevant qualification and points will be allocated as follows;

- a. Relevant working experience of the booking agent in the Travel and Tourism industry 1-2 years = 10 points
- b. Relevant working experience of accounts manager in finance with a minimum of 1-2 years or above = 10

VERIFICATION – CV with certified copies of qualifications

iii. Credit Facility [15]

- a. Major Accommodation Establishments in South Africa = 7 points
- b. Major Airlines operating in South Africa = 4 points
- c. Car hire companies operating in South Africa = 4 points

VERIFICATION – Service Level Agreement between bidder and service provider

iv. Financial Viability [25] -

- a. Bank Letter with code A rating = 25 points
- b. Bank Letter with code B rating= 15 points
- c. Bank Letter with code C rating = 10 points

Stage 2 – Price and Preferential

The 80/20 preferential point system will be applied where 80 points will be allocated for price and 20 points for preferential goals as follows:

- Preferential Goal 1
- Preferential Goal 2

Each bidder must score the required minimum score for functionality to be considered for the second stage. 80/20 Preferential Point system in terms of the 2022 Preferential system will apply and points will be awarded based on the entity's specific goals that is on ownership and RDP goals.

13. PRICING MODEL

The Harry Gwala Development Agency (Pty) LTD [HGDA] requires bidders to propose only one pricing model being the transactional fee model.

a. Transactional Fee

The transaction fee must be a fixed percentage of the value or cost of the service provided by third party service providers.

b. Volume driven incentives

It is important for bidders to note the following when determining the pricing:

- i. National Treasury has negotiated non-commissionable fares and rates with various airlines carriers and other service providers;
- ii. No override commissions earned through the HGDA reservations will be paid to the TMCs;
- iii. An open book policy will apply and any commissions earned through the HGDA's volumes will be reimbursed to the HGDA.
- iv. TMCs are to book these negotiated rates or the best fare available, whichever is the most cost effective for the institution.

14. FEATURES REQUIRING SPECIAL ATTENTION

All Annexure to these Terms of Reference that require completion by the bidder must be completed in full and returned with the bid. Failure to do so may disqualify the bid.

15. TERMS AND CONDITIONS OF THE PROPOSAL

Appointment will be made in terms of the Harry Gwala Development Agency's Procurement Policy.

16. NON-APPOINTMENT

The Harry Gwala Development Agency reserves the right not to make an appointment should it find that bidding parties do not meet the specified criteria

17. COMPLETION

Projects will not be paid for unless the required services have been correctly delivered.

18. COURTESY

In dealings with the municipal entity internal structures, the bidder is required to deal with discussions and disputes with deliberate courtesy and understanding, in close liaison with the Harry Gwala Development Agency.

Prior to the commencement of works, the successful bidder shall arrange through the office of the Chief Executive Officer to be introduced to the appropriate Harry Gwala Development Agency structures and to be briefed upon any sensitivities that need to be observed.

19. GENERAL

Tender offers will only be accepted on condition that:

- a. The tender offer is signed by a person authorized to sign on behalf of the Tenderer
- b. A Tenderer who submitted tenders as joint venture has included an acceptable Joint Venture Agreement with his tender.
- c. The Tenderer or any of its principals, directors or managers is not employed by the state or any municipality and municipal entity.
- d. Quotation/ proposal must be on a company letterhead
- e. Bids submitted are to hold good for a period of 90 (ninety) days and must be inclusive of VAT,
- f. The enclosed forms MBD 4, MBD 8 & MBD 9 must be scrutinized, completed and submitted together with your Bid.

- g. **NB: No Bid will be considered from persons in the service of the state**
- h. Proof of company registration
- i. A valid tax clearance certificate is included with this tender or tax compliance status with the pin.
- j. In case of a bidder owning a property, they must provide a municipal statement confirming status of municipal accounts not older than 3 months (Bidders must not be in arrears for more than 90 days)
- k. In case of a bidder leasing the property, they must attach a lease agreement & letter from landlord stating that rent is up to date. The letter must not be older than 3 months.
- l. In case of the bidder operating in an area that doesn't pay rates, they must attach a sworn affidavit stating that rates are not paid in that area. The affidavit must not be older than 3 months.
- m. If the bidder is staying with parents, spouse or any family relative in an area where rates are paid (an affidavit from the bidder or signed letter from the property owner stating that the bidder is not responsible for municipal accounts must be attached). Affidavit or letter must not be older than 3 months
- n. The Tenderer or any of its principles is not listed on the register of Tender Defaulters in terms of the Prevention and Combating of Corrupt Activities Act of 2004 as a person prohibited from doing business with public sector.
- o. The tenderer has not abused the Employers' Supply Chain Management System or has failed to perform on any previous contract and has been given a written notice to this effect; and
- p. The Employer is satisfied that the Tenderer or any of his principles has not influenced the tender offer and acceptance by the following criteria:
- Having offered, or promised or given a bribe or other gift remuneration to any person in connection with the obtaining or execution of this Contract.
 - Having acted in fraudulent or corrupt manner in obtaining or executing of this contract.
 - Having approached an officer or employee of the Employer or the Employers' Agent with the objective of influencing the award of a Contract in the Tenders' favour
 - Having entered into any agreement or arrangement, whether legally binding or not, with any other person, firm or company to refrain from Tendering for this Contract or as to the amount of the Tender to be submitted by either party; and

- Having disclosed to any other person, firm or company other than the Employer, the exact or approximate amount of his proposed Tender.

In the event of any of the above, the Harry Gwala Development Agency may, in addition to using any other legal remedies, repudiate the Tender offer and acceptance and declare the Contract invalid should it have been concluded already.

- The Harry Gwala Development Agency's Supply Chain Management Policy shall apply;
- The Municipal Entity does not bind itself to accept the lowest or any Bid and reserves the right to accept the Bid as whole or in part, at the rates quoted

FAILURE TO COMPLY WITH THE ABOVE CONDITIONS IN ALL RESPECTS WILL RESULT IN THE TENDER BEING DEEMED NON-RESPONSIVE. IF THE PRICE OFFERED IS NOT MARKET RELATED, THE HARRY GWALA DEVELOPMENT AGENCY MAY NOT AWARD THE CONTRACT TO THAT TENDERER AND MAY NEGOTIATE FOR MARKET RELATED PRICE WITH THE TENDERER, FAILING WHICH, NEGOTIATE WITH THE NEXT PREFERRED TENDERER OR TENDER MAY BE CANCELLED.

20. DOCUMENTATION

The proposal document submitted must include all the information deemed necessary to evaluate your submission on the bases stipulated in this document. **The additional forms appended to this document must also be included in the submission.**

This document may be detached and re-binded to ensure neatness and to also avoid the risk of accidentally losing of loose sheets. In the process of doing that, please be careful not to lose any of the pages of this document because should that be the case, your proposal may be regarded as incomplete

RELEVANT EXPERIENCE

The Bidder shall enter in the spaces provided below a list of relevant recent experience.

Employer (Name, Tel. No. or Fax No.)	Details of Project (Attach ref letters)	Value of Work (fees)	Year

CERTIFICATE OF AUTHORITY

Indicate the status of the Tenderer by ticking the appropriate box hereunder. The Tenderer must complete the certificate set out below for the relevant category.

(I) COMPANY	(II) CLOSE CORPORATIO N	(III) PARTNERSHIP	(IV) JOINT VENTURE	(V) SOLE PROPRIETOR

(I) CERTIFICATE FOR COMPANY

I, _____ Chairperson of the Board of Directors of _____ hereby confirm that by resolution of the Board (copy attached) taken on _____ (insert date) that Mr./Ms _____ acting in the capacity of _____ is authorised to sign all documents in connection with this tender and any contract resulting from it on behalf of the company.

Chairman: _____

As Witnesses: 1 _____

2 _____

Date _____

(II) CERTIFICATE FOR CLOSE CORPORATION

We, the undersigned, being the key members in the business trading as _____ hereby authorise Mr./Ms _____ acting in the capacity of _____ to sign all documents in connection with the tender for Contract No _____ and any contract resulting from it on our behalf.

NAME	ADDRESS	SIGNATURE	DATE

Note : This certificate is to be completed and signed by all of the key members upon whom rests the direction of the affairs of the Close Corporation as a whole.

(III) CERTIFICATE FOR PARTNERSHIP

We, the undersigned, being the key partners in the business trading as,

hereby authorise Mr./Ms _____
acting in the capacity of _____
to sign all documents in connection with the tender for Contract No _____
and any contract resulting from it on our behalf.

NAME	ADDRESS	SIGNATURE	DATE

Note : This certificate is to be completed and signed by all of the key partners upon whom rests the direction of the affairs of the Partnership as a whole.

(IV) CERTIFICATE FOR JOINT VENTURE

We, the undersigned, are submitting this tender offer in Joint Venture and hereby authorize Mr./Ms

_____, authorized signatory of the company,
_____ acting in the capacity of lead
partner, to sign all documents in connection with the tender offer for Contract No . _____
_____ and any contract resulting from it on our behalf.

This authorization is evidenced by the attached power of attorney signed by legally authorized signatories of all the partners to the Joint Venture.

NAME OF FIRM	ADDRESS	AUTHORISING SIGNATURE, AND CAPACITY NAME
Lead partner		

Note : This certificate is to be completed and signed by all of the key partners upon whom rests the direction of the affairs of the Partnership as a whole.

(V) CERTIFICATE FOR SOLE PROPRIETOR

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

Signature of Sole owner: _____

As Witnesses:

1 _____

2. _____

Date: _____

COMPULSORY ENTERPRISE QUESTIONNAIRE

The following particulars must be furnished. In the case of a joint venture, separate enterprise questionnaires in respect of each partner must be completed and submitted.

Section 1. Name of enterprise: _____

Section 2. VAT registration number, if any: _____

Section 3. CIDB registration number, if any: _____

Section 4. Particulars of sole proprietors and partners in partnerships.

Name*	Identity number*	Personal income tax number*

** Complete only if sole proprietor or partnership and attach separate page if more than three partners.*

Section 5. Particulars of companies and close corporations

Company registration number: _____

Close corporation number: _____

Tax reference number: _____

Section 6. Record in the service of the state

Indicate by marking the relevant boxes with a cross, if any sole proprietor, partner in a partnership or director, manager, principal shareholder or stakeholder in a company or close corporation is currently or has been within the last 12 months in the service of any of the following:

- a member of any municipal council
- a member of any provincial legislature
- a member of the National Assembly or the National Council of Provinces
- a member of the board of directors of any municipal entity
- an official of any municipality or municipal entity
- an employee of any provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act 1 of 1999)
- a member of an accounting authority of any national or provincial public entity
- an employee of Parliament or a provincial legislature

Name of spouse, child or parent	Name of institution, public offices, board or organ of state and position held	Status of service (tick appropriate column)	
		Current	Within last 12 months

* Insert separate page if necessary.

Section 7.

Record of spouses, children and parents in the service of the state

Indicate by marking the relevant boxes with a cross, if any spouse, child or parent of sole proprietor, partner in a partnership or director, manager, principal shareholder or stakeholder in a company or close corporation is currently or has been within the last 12 months in the service of any of the following:

- a member of any municipal council
- a member of any provincial legislature
- a member of the National Assembly or the National Council of Provinces
- a member of the board of directors of any municipal entity
- an official of any municipality or municipal entity
- an employee of any provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act 1 of 1999)
- a member of an accounting authority of any national or provincial public entity
- an employee of Parliament or a provincial legislature

If any of the above boxes are marked, disclose the following*:

Name of spouse, child or parent	Name of institution, public offices, board or organ of state and position held	Status of service (tick appropriate column)	
		Current	Within last 12 months

* Insert separate page if necessary.

The undersigned, who warrants that he/she is dully authorised to do so on behalf of the enterprise:

- i. authorises the Employer to obtain a tax clearance certificate from the South African Revenue Services that my/our tax matters are in order;
- ii. confirms that neither the name of the enterprise or the name of any partner, manager, director or other persons, who wholly or partly exercises, or may exercise, control over the enterprise appears on the Register of Tender Defaulters established in terms of the Prevention and Combating of Corrupt Activities Act of 2004;
- iii. confirms that no partner, member, director or other person, who wholly or partly exercises, or may exercise, control over the enterprise, has within the last five years been convicted of fraud or corruption;
- iv. confirms that I/we am/are not associated, linked or involved with any other tendering entities submitting tender offers and have no other relationship with any of the tenderers or those responsible for compiling the scope of work that could cause or be interpreted as a conflict of interest; and
- v. confirms that the contents of this questionnaire are within my personal knowledge and are to the best of my belief both true and correct.

Signed: _____ Date: _____

Name: _____ Position: _____

Enterprise name: _____

C: RECORD OF ADDENDUM TO TENDER DOCUMENTS

I / We confirm that the following communications received from the Employer or his representative before the date of submission of this tender offer, amending the tender documents, have been taken into account in this tender offer.

ADD. No	DATE	TITLE OR DETAILS
1		
2		
3		
4		
5		

SIGNATURE: DATE

(person authorised to sign on behalf of the Tenderer)

**PART A
INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF MUNICIPALITY/ MUNICIPAL ENTITY)

BID NUMBER: HGDA 02-2023/24 CLOSING DATE: 09 OCTOBER 2023 CLOSING TIME: 12h00

DESCRIPTION: PROVISION OF TRAVEL AGENCY SERVICES FOR A PERIOD OF THIRTY-SIX (36) MONTHS FOR THE HARRY GWALA DEVELOPMENT AGENCY (HGDA)

THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).

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

Harry Gwala Development Agency

Harry Gwala Farmers Market, Erf 2226

Portion 27 of the Farm Ellerton

Ixopo 3276

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

TAX COMPLIANCE STATUS TCS PIN: OR CSD No:

B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX] Yes No **B-BBEE STATUS LEVEL SWORN AFFIDAVIT** Yes No

[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3]
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE	R
SIGNATURE OF BIDDER	DATE	
CAPACITY UNDER WHICH THIS BID IS SIGNED			
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	
DEPARTMENT	BTO	CONTACT PERSON	Mrs. N Khoza
CONTACT PERSON	Ms N Malunga	TELEPHONE NUMBER	076 501 1583
TELEPHONE NUMBER	073 053 7034	FACSIMILE NUMBER	
FACSIMILE NUMBER		E-MAIL ADDRESS	nandipha.khoza@hgda.co.za
E-MAIL ADDRESS	neliswa.malunga@hgda.co.za		

**PART B
TERMS AND CONDITIONS FOR BIDDING**

1. BID SUBMISSION:	
<p>1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p> <p>1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED-(NOT TO BE RE-TYPED) OR ONLINE</p> <p>1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.</p>	
2. TAX COMPLIANCE REQUIREMENTS	
<p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.</p> <p>2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.</p> <p>2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.</p> <p>2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.</p> <p>2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.</p> <p>2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.</p>	
3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS	
3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES
<input type="checkbox"/> NO	
3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES
<input type="checkbox"/> NO	
3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES
<input type="checkbox"/> NO	
3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	<input type="checkbox"/> YES
<input type="checkbox"/> NO	
<p>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 ABOVE.</p>	

**NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.
NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.**

SIGNATURE OF BIDDER:

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

DATE:

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

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

DESCRIPTION	PERCENTAGE	
FIXED TRANSACTION FEE %		
COMPANY STAMP	SUB-TOTAL	
	VAT (15%)	
	TOTAL	

Note: All delivery costs must be included in the bid price, for delivery at the prescribed destination.

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

CONDITIONS OF TENDER

- Price(s) quoted must be valid for at least ninety (90) days from date of offer for evaluation purposes.
- Price(s) quoted must be firm and include VAT
- Tenderers original valid tax clearance certificate must be attached.
- Tender original or certified B-BBEE Certificate must be attached to the document
- Tender documents signed by a person who does not have authority to sign will be disqualified.
- Tenderers who did not complete the compulsory questionnaire, who abuse the employer’s supply chain management system will not be conceded
- Non-collusion affidavit to be executed by bidder and submitted with the bid.

DECLARATION OF INTEREST

- 1. No bid will be accepted from persons in the service of the state¹.
- 2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.
- 3. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

3.1 Full Name of bidder or his or her representative.....

3.2 Identity Number:

3.3 Position occupied in the Company (director, trustee, shareholder²).....

3.4 Company Registration Number:

3.5 Tax Reference Number.....

3.6 VAT Registration Number:

3.7 The names of all directors / trustees / shareholder's members, their individual identity numbers and state employee numbers must be indicated in paragraph 4 below.

3.8 Are you presently in the service of the state?

YES / NO

3.8.1 If yes, furnish particulars.

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

1MSCM Regulations: "in the service of the state" means to be –

- (a) a member of –
 - (i) any municipal council;
 - (ii) any provincial legislature; or
 - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature.

2 Shareholder" means a person who owns shares in the company and is actively involved in the management of the company or business and exercises control over the company.

3.9 Have you been in the service of the state for the past twelve months?
.....**YES / NO**

3.9.1 If yes, furnish particulars
.....

3.10 Do you have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid?
YES / NO

3.10.1 If yes, furnish particulars.
.....

3.11 Are you, aware of any relationship (family, friend, other) between any other bidder and any persons in the service of the state who May be involved with the evaluation and or adjudication of this bid?
YES / NO

3.11.1 If yes, furnish particulars
.....

3.12 Are any of the company's directors, trustees, managers, Principle shareholders or stakeholders in service of the state?
YES / NO

3.12.1 If yes, furnish particulars.

.....
.....

3.13 Are any spouse, child or parent of the company's director's trustees, managers, principle shareholders or stakeholders in service of the state?
YES / NO

3.13.1 If yes, furnish particulars.

.....
.....

3.14 Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract.
YES / NO

3.14.1 If yes, furnish particulars:

.....
.....

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

Full Name	Identity Number	State Employee Number

4. DECLARATION

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

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 4 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature Date

.....
Position Name of bidder

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

1. GENERAL CONDITIONS

1.1 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).

1.2 To be completed by the organ of state

(delete whichever is not applicable for this tender).

- The applicable preference point system for this tender is the **90/10** preference point system.
- The applicable preference point system for this tender is the **80/20** preference point system.
- 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.

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.

1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and SPECIFIC GOALS	100

- 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.
- 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.

2. 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).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

3.1.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 points is allocated for price on the following basis:

$$\begin{array}{ccc} \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\ \\ \mathbf{P_s = 80 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)} & \mathbf{or} & \mathbf{P_s = 90 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)} \end{array}$$

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

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

3.2.1. POINTS AWARDED FOR PRICE

A maximum of 80 or 90 points is allocated for price on the following basis:

$$\begin{array}{ccc} \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\ \\ \mathbf{P_s = 80 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right)} & \mathbf{or} & \mathbf{P_s = 90 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right)} \end{array}$$

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

4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. 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:

4.2. 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—

(a) 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

(b) 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 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)
GOAL 1 - Ownership – Maximum points	10	
Business owned more than 50% by black person	3	
Business owned less than 50% by black person	1	
Business owned more than 50% by black women	3	
Business owned less than 50% by black women	1	
Business owned more than 50% by black youth	2	
Business owned less than 50% by black youth	1	
Business owned more than 50% by disabled person	2	
GOAL 2 – RDP – Maximum points	10	
Business falls under the SMME category – EME	3	
Promotion of business located within Harry Gwala District	4	
Promotion of business located within KZN province	3	
Promotion of business located in South Africa outside KZN Province	1	

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm.....

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM [TICK APPLICABLE BOX]

- Partnership/Joint Venture / Consortium
- One-person business/sole propriety
- Close corporation
- Public Company
- Personal Liability Company
- (Pty) Limited
- Non-Profit Company
- State Owned Company

4.6. 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;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) 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 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.

.....
SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME.....

DATE:

ADDRESS:
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DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Municipal Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be rejected if that bidder, or any of its directors have:
 - a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
 - b. been convicted for fraud or corruption during the past five years;
 - c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

Item	Question	Yes	No
4.1	<p>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</p> <p>The Database of Restricted Suppliers now resides on the National Treasury's website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		

4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
Item	Question	Yes	No
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

CERTIFICATION

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a. take all reasonable steps to prevent such abuse;
 - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of:

that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - (a) prices;

- (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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.

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

.....
Signature

.....
Date

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Position

.....
Name of Bidder

THE NATIONAL TREASURY
Republic of South Africa



GOVERNMENT PROCUREMENT:
GENERAL CONDITIONS OF CONTRACT

July 2010

TABLE OF CLAUSES

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Conditions of Contract**Definitions**
as indicated:

1. The following terms shall be interpreted as indicated:
 - 1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
 - 1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 "Day" means calendar day.
 - 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
 - 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.

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- 1.10 "Deliveries in connection with the supply of goods to the purchaser" 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 goods are so delivered and a valid receipt is obtained.
- 1.11 "Dumping" occurs when a private enterprise abroad markets its goods on its 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 goods covered by the bid will be manufactured.

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- e, which is not included in the imported content provided that local manufacture does take place.
- 1.18 “**Manufacture**” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 “**Order**” means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 “**Project site,**” where applicable, means the place indicated in bidding documents.
- 1.21 “**Purchaser**” means the organization purchasing the goods.
- 1.22 “**Republic**” means the Republic of South Africa.
- 1.23 “**SCC**” means the Special Conditions of Contract.
- 1.24 “**Services**” means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.25 “**Supplier**” means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.
- 1.26 “**Tort**” means in breach of contract.
- 1.27 “**Turnkey**” means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.
- 1.28 “**Written**” or “**in writing**” means handwritten in ink or any form of electronic or mechanical writing.
- 2. Application** 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services (excluding professional services related to the building and construction industry), sales, hiring, letting and the granting or acquiring of rights, but excluding

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- 3. General**
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- bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific goods, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.
- 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 Invitations to bid are usually published in locally distributed news media and on the municipality/municipal entity website.
- 4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

5. Use of contract documents and information inspection

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

Be extended only so far as may be necessary for the purpose of 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 the purposes of performing the contract.

5.3 Any documents 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 supplier's performance under the contract if so require 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.
- 6.2 When a supplier developed documentation / projects for the municipality / municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality / municipal entity.
- 7 Performance security**
- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
- (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
 - (b) a cashier's or certified cheque.
- 7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified.

**8 Inspections,
tests and
analyses**

- 8.1. All pre-bidding testing will be for the account of the bidder.
- 8.2. If it is a bid condition that goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.
- 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 goods 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 goods or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6. Goods 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 goods may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods 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 goods, which do comply with the requirements of the contract. Failing such removal the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods 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 22 of GCC.

9 Packing

9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size 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, and in any subsequent instructions ordered by the purchaser.

10 Delivery and documents

10.1 Delivery of the goods and arrangements for shipping and clearance obligations, shall be made by the supplier in accordance with the terms specified in the contract.

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.

12 Transportation

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

13 Incidental Services

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

13.1.1. performance or supervision of on-site assembly and/or commissioning of the supplied goods;

13.1.2. furnishing of tools required for assembly and/or maintenance of the supplied goods;

13.1.3. furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

13.1.4. 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

13.1.5. training of the purchaser's personnel, at the

s /or on-site, in assembly, start-up, operation,
u maintenance, and/or repair of the supplied
p goods.
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l 13.2. Prices charged by the supplier for incidental services,
i if not included in the contract price for the goods, shall be
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s agreed upon in advance by the parties and shall not exceed
p the prevailing rates charged to other parties by the supplier
l for similar services.
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14 Spare parts 14.1 As specified, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

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

15 Warranty 15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise.

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 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, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

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

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.

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 or in the purchaser's request for bid validity extension, as the case may be.

18 Variation orders

18.1. In cases where the estimated value of the envisaged changes in purchase does not vary more than 15% of the total value of the original contract, the contractor may be instructed to deliver the goods or render the services as such. In cases of measurable quantities, the contractor may be approached to reduce the unit price, and such offers may be accepted provided that there is no escalation in price.

19 Assignment

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

20 Subcontracts

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

21 Delays in the supplier's performance

- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 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 goods are required, or the supplier's services are not readily available.
- 21.4 goods 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 22.2 without the application of penalties.
- 21.6 Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without cancelling the contract, be entitled to purchase goods of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22 Penalties

- 22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or

performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23 Termination for default

- 23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:
- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
 - (b) if the supplier fails to perform any other obligation(s) under the contract; or
 - (c) if the supplier, in the judgement of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.
- 23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner, as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.
- 23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.
- 23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the supplier as having no objection and proceed with the restriction.
- 23.5 Any restriction imposed on any person by the purchaser will, at the discretion of the purchaser, 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 purchaser actively associated.
- 23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
- (i) the name and address of the supplier and / or person restricted by the purchaser;
 - (ii) the date of commencement of the restriction

- (iii) the period of restriction; and
- (iv) the reasons for the restriction.

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

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

24 *Anti-dumping
and
countervailing
duties and rights*

24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the supplier to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the supplier in regard to goods 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.

25 *Force
Majeure*

25.1. Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

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
for insolvency*

26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy, which has accrued or will accrue thereafter to the purchaser.

27 *Settlement of Disputes*

- 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 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.

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 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 for goods delivered and / or services rendered according to the prescripts of the contract.

28. Limitation of Liability

28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;

- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and
- (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.

28 Governing language

28.1. 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.

29 Applicable law

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

30 Notices

30.1 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.

30.2 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.

31 *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 SARS must have certified that the tax matters of the preferred bidder are in order.

32.4 No contract shall be concluded with any bidder whose municipal rates and taxes and municipal services charges are in arrears.

32 Transfer of contracts 32.1 The contractor shall not abandon, transfer, cede assign or sublet a contract or part thereof without the written permission of the purchaser

33 Amendment of contracts 33.1 No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing, shall also be in writing.

34 Prohibition of 35.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of

restrictive practices 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder(s) is / are or a contractor(s) was / were involved in collusive bidding.

35.2 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 section 59 of the Competition Act No 89 Of 1998.

35.3 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.