



Bid No.	CoGTA (T) 06/2018	
Bid Description	APPOINTMENT OF A SERVICE PROVIDER FOR THE REVIEW OF THE NATIONAL FRAMEWORK FOR MUNICIPAL INDIGENT POLICIES AND GUIDELINE FOR IMPLEMENTATION OF MUNICIPAL INDIGENT POLICIES FOR A PERIOD OF 24 MONTHS.	
Contact Person/s:		Mr Plaatjie Mahlobogoane
Technical Terms of reference:	Name:	Mr Plaatjie Mahlobogoane
	Telephone No:	(012) 334 4886
	Email address:	plaatjiem@cogta.gov.za
Bid Procedures:	Name:	Kgaugelo Tselana/Kwazi Shezi or Sandiso Mabija
	Telephone No:	(012) 334 0912/ 0848/ 0823
	Email address:	Kgaugelot@cogta.gov.za / kwazit@cogta.gov.za
Compulsory bid briefing	Venue, Date and Time	508 Johannes Ramokhoase Streets, c/o Johannes Ramokhoase Streets and Steve Biko Street. NOSA Building, 5 th Floor, Boardroom Number 501, 12 NOVEMBER 2018 at 10:00
Closing time and date for bid and venue	Time and Date:	11:00 on the 26 NOVEMBER 2018 at No. 87, c/o Hamilton and Johannes Ramokhoase Streets, Foyer
	Condition	Bids received after the closing time and date will not to be accepted for consideration. Bids should be in a sealed envelope clearly marked with the above bid number, description and Department of Cooperative Governance.
Delivery address and conditions for delivery of bids	Delivery address:	No. 87, c/o Hamilton and Johannes Ramokhoase Streets, Pretoria, Arcadia (Bid Box is placed in the Foyer at the ground floor)
		Bidders must ensure that their bids are delivered timeously to the correct address and directly to the bid box. The department will not take any responsibility for late mailed bids. The bid box is open from Monday to Friday – 08h00 to 16h30

NB: THE NATIONAL TREASURY SCM INSTRUCTION NOTE NO 4A OF 2016/17 STATE THAT BIDS MAY ONLY BE AWARDED TO SUPPLIERS AFTER VERIFYING THAT THEY ARE REGISTERED AS PROSPECTIVE SUPPLIERS ON THE CENTRAL SUPPLIER DATABASE (CSD). IN ORDER FOR THE DEPARTMENT TO VERIFY YOUR COMPANY'S REGISTRATION WITH CENTRAL SUPPLIER DATABASE (CSD) PLEASE PROVIDE THE FOLLOWING INFORMATION:

CSD SUPPLIER NUMBER:	
UNIQUE REGISTRATION REFERENCE NUMBER:	

(NB: ATTACH A COPY OF CSD REGISTRATION REPORT)

- The SBD 1 and all other application forms attached as Part 4 must be completed and signed in the original that is in ink.
- Forms with photocopied signatures or other such reproduction of signatures will be rejected.
- Bids by telegram facsimile or other similar apparatus will not be acceptable for consideration.



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DEFINITIONS

The rules of interpretation and defined terms contained in the General Conditions of Contract (GCC) shall apply to this invitation to bid unless the context requires otherwise.

In addition, the following terms used in this invitation to bid shall, unless indicated otherwise, have the meanings assigned to such terms in the table below.

DCoG	Means the Department of Cooperative Governance.
Invitation to bid	means this invitation to bid comprising <ul style="list-style-type: none">○ The cover page and the table of content and definitions○ Part 1 which details the Conditions of Bid;○ Part 2 special instructions and notices to bidders regarding the completion of bidding document and Authority to sign a bid;○ Part 3 which details the Terms of Reference relating to the service○ Part 4 which contains all the requisite bid forms and certificates; As read with GCC – <i>General Conditions of Contract</i>
Services	means the services defined on the cover page of this invitation to bid and described in detail in the Terms of Reference;
Specifications /Terms of Reference	means the specifications or terms contained in Part 3 of this invitation to bid;

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	COGTA (T) 06/2018	CLOSING DATE:	26 NOVEMBER 2018	CLOSING TIME:	11:00
DESCRIPTION	APPOINTMENT OF A SERVICE PROVIDER FOR THE REVIEW OF THE NATIONAL FRAMEWORK FOR MUNICIPAL INDIGENT POLICIES AND GUIDELINE FOR IMPLEMENTATION OF MUNICIPAL INDIGENT POLICIES FOR A PERIOD OF 24 MONTHS.				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
SCM : ACQUISITION MANAGEMENT UNIT TENDER BOX (RECEPTION AREA)					
DEPARTMENT OF COOPERATIVE GOVERNANCE, 87 HAMILTON BUILDING					
C/O HAMILTON AND JOHANNES RAMOKHOASE STREETS					
ARCADIA, 0083					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	MS. KGAUGELO TSELANA		CONTACT PERSON	MR P MAHLOBOGOANE	
TELEPHONE NUMBER	(012) 334 0912		TELEPHONE NUMBER	(012) 334 4886	
FACSIMILE NUMBER	N/A		FACSIMILE NUMBER	N/A	
E-MAIL ADDRESS	Kgaugelot@coqta.gov.za		E-MAIL ADDRESS	plaatjiem@coqta.gov.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> 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 THE QUESTIONNAIRE BELOW]	
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.					

PART 1
Conditions of Bid

1. BACKGROUND AND INTRODUCTORY PROVISIONS

Refer to Page 3 of this invitation to bid for background and introductory information relating to the Services and this invitation to bid.

2. OFFER AND SPECIAL CONDITIONS

2.1 Without detracting from the generality of clause below, bidders must submit a completed and signed Invitation to Bid form (SBD1) and requisite bid forms attached as (Part 4) with its bid. Bidders must take careful note of the special conditions.

2.2 **All bids submitted in reply to this invitation to bid should incorporate all the forms, parts, certificates and other documentation forming part of this invitation to bid, duly completed and signed where required.**

2.3 In the event that any form or certificate provided in Part 4 of this invitation to bid does not have adequate space for the bidder to provide the requested details, the bidder should attach an annexure to such form or certificate on which the requested details should be provided and the bidder should refer to such annexure in the form or certificate provided.

3. CLOSING TIME OF BIDS AND PROVISIONS RELATING TO SUBMISSION OF BIDS

3.1 The closing date and time for the receipt of bids in response to this invitation to bid is detailed on the cover page of this invitation to bid.

3.2 All bids must be submitted in a sealed envelope bearing the bid number, bid description and closing date.

3.4 All bids must be deposited in the bid box before the closing time and date stipulated above, at the address detailed on the cover page of this invitation to bid.

4. ENQUIRIES

Should any bidder have any enquiries relating to this invitation to bid, such enquiries may only be addressed to the person/s detailed on the cover page to this invitation to bid at the number/s stipulated.

5. PRICING

5.1 The bidder(s) must submit details regarding the bid price for the Services on the Pricing Schedule form/s attached as Part 4 – Schedule C which completed form/s must be submitted together with the bid documents.

5.2 Pricing must be stipulated **INCLUSIVE OF VALUE ADDED TAX**

5.3 It is an express requirement of this invitation to bid that the bidders provide some transparency in respect to their pricing approach. In this regard, bidders must indicate the basis on which they have calculated their pricing by completing all aspects of the Pricing Schedule form Part 4 – Schedule C

6. DECLARATION OF INTEREST

The bidder should submit a duly completed and signed declaration of interest (SBD 4) together with the bid. The declaration of interest is attached as Part 4 – Schedule D.

7. PREFERENTIAL POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS OF 2017.

The bidder must complete the preferential points claim form (SBD 6.1) and sign accordingly to submit with the bid. The preferential points claim form is attached as Part 4 – Schedule E.

8. DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

The bidder must complete the declaration and sign accordingly to submit with the bid. The declaration of bidder's past supply chain management practices (SBD 8) is attached as Part 4 – Schedule F

9. CERTIFICATE OF INDEPENDENT BID DETERMINATION

The bidder must complete the certificate of independent bid determination and sign accordingly to submit with the bid. The certificate of independent bid determination (SBD 9) is attached as Part 4 – Schedule G

10. PARTNERSHIPS AND LEGAL ENTITIES

In the case of the bidder being a partnership all certificates reflecting the names, identity numbers and address of the partners, members or directors (as the case may be) must be submitted with the bid.

11. CONSORTIUM / JOINT VENTURE

11.1 It is recognized that bidders may wish to form consortia to provide the Services.

11.2 A bid in response to this invitation to bid by a consortium shall comply with the following requirements: -

11.2.1 It shall be signed so as to be legally binding on all consortium members;

11.2.2 One of the members shall be nominated by the others as authorized to be the lead member and this authorization shall be included in the agreement entered into between the consortium members;

11.2.3 The lead member shall be the only authorized party to make legal statements, communicate with the DCoG and receive instructions for and on behalf of any and all the members of the consortium;

11.2.4 A copy of the agreement entered into by the consortium members shall be submitted with the bid.

11.2.5 The lead member must comply with all the requirements of the bid.

11.2.6 Preference points will be only awarded when a consolidated BBBEE Certificate is submitted

12. VALIDITY

Bid documentation submitted by the bidder will be valid and open for acceptance for a period of **(90)** calendar days from the closing date and time stipulated on the front cover of this invitation to bid.

13. ACCEPTANCE OF BIDS

The DCoG does not bind itself to accept either the lowest or any other bid and reserves the right to accept the bid which it deems to be in the best interest of the Department.

14. NO RIGHTS OR CLAIMS

14.1 Receipt of the invitation to bid does not confer any right on any party in respect of the Services or in respect of or against the DCoG. The DCoG reserves the right, in its sole discretion, to withdraw by notice to bidders any Services or combination of Services from the bid process, to terminate any party's participation in the bid process or to accept or reject any response to this invitation to bid on notice to the bidders without liability to any party. Accordingly, parties have no rights, expressed or implied, with respect to any of the Services as a result of their participation in the bid process.

14.2 The DCoG, nor any of their respective directors, officers, employees, agents, representatives or advisors will assume any obligations for any costs or expenses incurred by any party in or associated with any appraisal and/or investigation relating to this invitation to bid or the subsequent submission of a bid in response to this invitation to bid in respect of the Services or any other costs, expenses or liabilities of whatsoever nature and howsoever incurred by bidders in connection with or arising out of the bid process.

15. NON DISCLOSURE, CONFIDENTIALITY AND SECURITY

15.1 The invitation to bid and its contents are made available on condition that they are used in connection with the bid process set out in the invitation to bid and for no other purpose. All information pertaining to this invitation to bid and its contents shall be regarded as restricted and divulged on a "need to know" basis with the approval of the DCoG.

15.2 In the event that the bidder is appointed pursuant to this invitation to bid such bidder may be subject to security clearance prior to commencement of the Services.

16. ACCURACY OF INFORMATION

16.1 The information contained in the invitation to bid has been prepared in good faith. The DCoG nor any of their respective directors, advisors, officers, employees, agents, representatives make any representation

or warranty or give any undertaking express or implied, or accept any responsibility or liability whatsoever, as to the contents, accuracy or completeness of the information contained in the invitation to bid, or any other written or oral information made available in connection with the bid and nothing contained herein is, or shall be relied upon as a promise or representation, whether as to the past or the future.

- 16.1.1 This invitation to bid may not contain all the information that may be required to evaluate a possible submission of a response to this invitation to bid. The bidder should conduct its own independent analysis of the operations to the extent required to enable it to respond to this bid.

17. COMPETITION

17.1 Bidders and their respective officers, employees and agents are prohibited from engaging in any collusive action with respect to the bidding process which serves to limit competition amongst bidders.

17.1.1 In general, the attention of bidders is drawn to Section 4(1) (iii) of the Competition Act 1998 (Act No. 89 of 1998) (the Competition Act) that prohibits collusive bidding.

17.1.2 If bidders have reason to believe that competition issues may arise from any submission of a response to this bid invitation they are encouraged to discuss their position with the competition authorities before submitting a response.

17.1.3 Any correspondence or process of any kind between bidders and the competition authorities must be documented in the responses to this invitation to bid.

18. RESERVATION OF RIGHTS

18.1 Without limitation to any other rights of the DCoG (whether otherwise reserved in this invitation to bid or under law), the DCoG expressly reserves the right to: -

18.1.1 Request clarification on any aspect of a response to this invitation to bid received from the bidder, such requests and the responses to be in writing;

18.1.2 Amend the bidding process, including the timetables, closing date and any other date at its sole discretion;

18.1.3 Reject all responses submitted by bidders and to embark on a new bid process;

18.1.4 The Department may request the shortlisted bidders to present their proposals to the Bid Committee;

18.1.5 To verify information provided for references to claim points;

18.1.6 To disqualify any tender/bidder who misrepresented information to claim points and

18.1.7 The Department reserve a right to award this tender to more than one bidder.

PART 2

SPECIAL INSTRUCTIONS AND NOTICES TO BIDDERS REGARDING THE COMPLETION OF BIDDING FORMS

PLEASE NOTE THAT THIS BID IS SUBJECT TO TREASURY REGULATIONS 16A ISSUED IN TERMS OF THE PUBLIC FINANCE MANAGEMENT ACT, 1999, THE COGTA SUPPLY CHAIN MANAGEMENT POLICY 2017, PREFERENTIAL PROCUREMENT REGULATIONS 2017 AND THE GENERAL CONDITIONS OF CONTRACT.

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

**FAILURE TO COMPLY WITH THE FOLLOWING ABOVE MENTIONED INSTRUCTIONS
2,4,5,6,9,10,11,12,13 MAY LEAD TO YOU BID BEING REJECTED**

AUTHORITY TO SIGN A BID

A. COMPANIES

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

AUTHORITY BY BOARD OF DIRECTORS

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

Mr/Mrs.....

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

(Name of Company)

IN HIS/HER CAPACITY AS:

SIGNED ON BEHALF OF COMPANY:

(PRINT NAME)

SIGNATURE OF SIGNATORY: **DATE:**

WITNESSES: 1 **DATE:**

2 **DATE:**

B. SOLE PROPRIETOR (ONE - PERSON BUSINESS)

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

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

C. PARTNERSHIP

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

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

We, the undersigned partners in the business trading as

hereby authoriseto sign this bid as well as any contract resulting from the bid and any other documents and correspondence in connection with this bid and /or contract on behalf of

.....
SIGNATURE	SIGNATURE	SIGNATURE

.....
DATE	DATE	DATE

D. CLOSE CORPORATION

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

By resolution of members at a meeting on20.....at

Mr/Ms....., whose signature appears below, has been authorised to sign all documents in connection with this bid on behalf of

(Name of Close Corporation)

SIGNED ON BEHALF OF CLOSE CORPORATION:
(PRINT NAME)

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

SIGNATURE OF SIGNATORY **DATE:**

WITNESSES: 1 **DATE:**

2 **DATE:**

E. CO-OPERATIVE

A certified copy of the Constitution of the co-operative must be included with the bid, together with the resolution by its members authoring a member or other official of the co-operative to sign the bid documents on their behalf. By resolution of members at a meeting on 20..... at
Mr/Ms....., whose signature appears below, has been authorised to sign all documents in connection with this bid on behalf of (Name of cooperative)
.....

SIGNATURE OF AUTHORISED REPRESENTATIVE/SIGNATORY:

IN HIS/HER CAPACITY AS:

DATE:

SIGNED ON BEHALF OF CO-OPERATIVE:

NAME IN BLOCK LETTERS.....

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

2 **DATE:**.....

F. JOINT VENTURE

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

AUTHORITY TO SIGN ON BEHALF OF THE JOINT VENTURE

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

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

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

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

(Name of Joint Venture).....

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

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

(PRINT NAME)

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

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

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

(PRINT NAME)

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

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

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

(PRINT NAME)

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

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

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

(PRINT NAME)

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

G. CONSORTIUM

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

AUTHORITY TO SIGN ON BEHALF OF THE CONSORTIUM

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

Mr/Mrs.....

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

(Name of Consortium).....

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

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

PRE – QUALIFICATION REQUIREMENTS

1.1	Bid Document - All pages must be completed and signed (where signature is applicable) by the Bidder
1.2	Invitation to bid must be Completed and signed (SBD 1)
1.4	Pricing Schedules must be fully completed and signed (SBD 3.3)
1.5	Declaration of Interest must be fully completed and signed (SBD 4)
1.6	Preference Points Claim Forms must be fully completed and signed (SBD 6.1)
1.7	Declaration of Bidder’s Past Supply Chain Management Practices must be fully completed and signed (SBD 8)
1.8	Certificate of Bid Determination must be fully completed and signed (SBD 9)
1.9	JV or Consortium Agreement where applicable must be attached
FAILURE TO COMPLY WITH THE ABOVE MENTIONED PRE-QUALIFICATION INSTRUCTIONS WILL LEAD TO DISQUALIFICATION	



cooperative governance

Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA

TERMS OF REFERENCE (TOR) FOR THE REVIEW OF THE NATIONAL FRAMEWORK FOR MUNICIPAL INDIGENT POLICIES AND GUIDELINE FOR IMPLEMENTATION OF MUNICIPAL INDIGENT POLICIES FOR A PERIOD OF 24 MONTHS.

1. PROJECT TITLE

The review of the National Framework for Municipal Indigent Policies and Guideline for Implementation of Municipal Indigent Policies for a period of 24 months.

2. PURPOSE OF THE ASSIGNMENT

The purpose of this Terms of Reference (TOR) is for the Department of Cooperative Governance (DCoG) to procure the services of a suitable service provider to undertake a review of both the ***National Framework for Municipal Indigent Policies*** and the ***Guideline for the Implementation of Municipal Indigent Policies***. This policy plays a key role in assisting municipalities in their rollout of the free basic services (FBS) programme, which are part of a greater social support package aimed at alleviating poverty. The ultimate outcome of this review process is a clear regulation and guideline for implementing municipal indigent policies that will assist municipalities in developing credible and sound municipal indigent policies that are responsive to a better targeting of the poor households. It should also be reactive to the socio-economic profiles of the municipality, their institutional and operating circumstances and their long-term developmental goals.

3. INTRODUCTION AND BACKGROUND

South Africa's Constitution of 1996 promotes the progressive realisation of universal access to social and basic services for all citizens of the country. The delivery of these services are undertaken within the country's intergovernmental system, with local government constitutionally assigned the responsibility to deliver key basic services in the form of water, sanitation, refuse removal and electricity. With the establishment of a consolidated local government sphere in 2000, the country's municipalities have and continue to play a key role in expanding basic services to previously unserved households and the sustained delivery of services to local communities.

While progressing towards the development and empowerment of all its citizens through government service delivery, South Africa also implements a comprehensive social support programme that targets specifically the country is poor. This social support framework is pivotal in empowering the poor towards ultimately escaping poverty and promoting inclusive economic and social growth of all citizens. As part of this social support package, Government implemented the National Framework for Municipal Indigent Policies that afford a portion of services free every month to poor households. FBS is rolled out by municipalities as part of their constitutional provision of basic services and is funded by a combination of municipal own revenues and allocations from the Local Government Equitable Share (LGES) grant.

The effective roll out of FBS at a municipal level is dependent on a clear and comprehensive framework and guidelines to inform the development of sound and implementable indigent policies that appropriately identify and target poor households for FBS within municipal jurisdictions. In this regard, the DCoG developed both the ***National Framework for Municipal Indigent Policies*** and the ***Guideline for the Implementation of Municipal Indigent Policies*** to assist municipalities in the design and implementation of indigent policies in the delivery of FBS. These policies were approved by Cabinet in 2005 and have played an important role in allowing the DCoG, through the provincial local government departments, to support and oversee the effective implementation and performance of municipalities with regard to indigent policy implementation and FBS rollout.

The Constitution of the Republic of South Africa (Act No. 108 of 1996) mandates the DCoG to ensure that the provision of services to communities is in the utmost and effective manner, in line with the National Development Plan vision 2030 and the Sustainable Development Goals. This implies that the access to FBS should be a priority, and this can simply be achievable if there is a rapport between the National, Provincial and Local Government spheres of government. In ensuring that municipal indigent policies are sound, the DCoG works closely with the provincial local government departments to support and oversee the effective performance of municipalities with regard to indigent policy implementation.

4. PROBLEM STATEMENT

While there is a framework and support by national government that have assisted municipalities in their design of indigent policies and roll out of FBS, municipalities continue to struggle to appropriately identify and target indigent households as well as fund the delivery of FBS. Whilst, it is ultimately the

prerogative of local councils to adopt an indigent policy that best suits the economic and social goals of individual municipalities, such data can also indicate challenges within local government in appropriately identifying and rolling out FBS.

The current policy framework provides for various targeting measures. Studies conclude that if a municipality for example uses the value or erf size, there is a need for accurate property valuation and it is an inaccurate proxy for poverty. Further, where universal free basic services is provided the variation in the household size make the appropriate allocation of water as an example difficult and it is not clear how municipalities deal with cases where there is more than one household.

In addition to issues of performance, there has been several policies and related developments since 2005 that have changed the municipal operating environment in the identification of indigents and the rollout of FBS. These include:

- a. The availability of improved research on poverty and the measures of poverty released by Statistics South Africa;
- b. Substantial improvements in the roll out of basic services infrastructure by municipalities;
- c. Changes in the consumption patterns of individual households across categories of municipalities;
- d. A greater understanding of the differences in consumption across municipalities and methods to deal with such differences; and
- e. Changes in the local government institutional and fiscal frameworks, such as the abolition of the Regional Services Council (RSC) levies.

The South African social and economic landscape is dynamic and constantly evolving. This has recently manifested in the form of increased urbanisation, changes in individual and household poverty profiles and the changes in the structure of the economy, amongst others. In response to such fundamental social and economic changes, Government has realigned its national planning and policy framework with the adoption of the National Development Plan (NDP) Vision 2030. The NDP is considered as the key pillar for all aspects of government policy and service delivery towards the ultimate goal of long- term economic and social development.

These challenges as well as the social, economic and policy changes necessitate a review of both the ***National Framework for Municipal Indigent Policies*** and the ***Guideline for the Implementation of Municipal Indigent Policies***. Such a review is important in ensuring that the guidelines provided to municipalities are better reflective of current socio-economic circumstances, government policy prerogatives and are responsive the unique challenges faced by each and every individual municipality in the country.

5. SCOPE OF THE ASSIGNMENT

The service provider is required to undertake a comprehensive and holistic review of the ***National Framework for Municipal Indigent Policies*** and the ***Guideline for the Implementation of Municipal Indigent Policies*** and should encompass the following aspects:

A. Stage One: Needs Analysis

The service provider is required to evaluate whether the goals of the current National Framework for Municipal Indigent Policies and the Guideline for the Implementation of Municipal Indigent Policies are being achieved, and what changes are needed to the policy and guidelines to enable improved performance in achieving those goals. To this end, the appointed service provider is required to undertake a comprehensive *status quo* analysis on the current performance, methods and challenges in developing indigent policies and delivering FBS across municipalities. The appointed service provider is required to undertake an analysis of relevant information/research variables that could inform the review of the framework as to whether a rule, policy, procedure and/or guideline is required. This may include, but not limited to data analysis, literature review and best practices. The appointed service provider will undertake a review of sector policies and guidelines, including but not limited to; Free Basic Sanitation (FBS), Free Basic Water (FBW) both by the Department of Water and Sanitation, National Policy for the Provision of Basic Refuse Removal Services to Indigent

Households by the Department of Environmental Affairs, Local Government Property Rates Act by the Department of Cooperative Governance and Free Basic Electricity (FBE) and Free Basic Alternative Energy (FBAE) by the Department of Energy.

The service provider must use the qualitative and quantitative methods and present the critical research model suitable for the study. The service provider must use a representative sample size with a combination of categories of municipalities (metro's, district and local municipalities) including a combination of urban, semi-urban and rural municipalities. The service provider must engage the local residents, councillors and civil society as part of the sample. This should take the form of a primary and secondary data analysis including:

- determination of the gaps in the national framework for municipal indigent policies as well as the guideline for implementation of the municipal indigent policies;
- identification of the areas of improvements; and
- comparison of the framework with the current socio-economic factors.

The stage requires a formation of a technical team that will be periodically consulted and take decisions during the process of reviewing the National Framework for Municipal Indigent Policies and Guideline for Implementation. This team will consist of the DCoG, provincial departments of local government and treasury, the National Treasury, South African Local Government Association (SALGA), the Financial and Fiscal Commission (FFC), StatsSA, sector departments and other stakeholders that have been identified during the development of the proposal. Formal letters will be given to the appointed committee members with clear roles, responsibilities and timeframes. The technical committee will provide technical support, guidance and oversight of progress.

This stage will afford the DCoG an opportunity to analyse the implications of the review of the National Framework for Municipal Indigent Policies and Guideline for Implementation of the Municipal Indigent Policies and consider how the proposed review will affect other existing policies, stakeholders, administrative procedures and systems development.

By conducting this exercise, the DCoG is anticipating the following outcome:

- Primary data collection on a representative sample of households across selected municipalities to garner their experiences of receiving FBS;
- Proposal and implementation methodology to estimate whether current levels are meeting their needs and whether this is a challenge in implementing FBS;
- Output of consultation with the national sector departments and important stakeholders for policy setting;
- Development of the procedures manuals;
- The resources required for project implementation;
- Development of the best practice in a form of benchmarking with other country's best practice indigent policy management;
- Research on the socio-economic status of indigents in the municipal indigent registers and sampled municipalities as they relate to the provision of free basic services; and
- Research of the legislative mandate and other sector perspective and policies.

To effect these processes the appointed service provider will be required to the design of the project implementation plan and the project milestones. The service provider must produce a comprehensive *status quo* analysis on the current performance, methods and challenges in developing indigent policies and delivering FBS across municipalities.

B. Stage Two: The Reviewing of the National Framework for Municipal Indigent Policies and Implementation Guideline of the Municipal Indigent Policies

The service provider must undertake the review of the National Framework for Municipal Indigent Policies and Guideline for Implementation of the Municipal Indigent Policies in consultation with all technical members. The technical members should be consulted and have the opportunity to provide comments and inputs on the draft reviewed framework and guideline for implementation.

The review of the National Framework for Municipal Indigent Policies and Implementation Guideline of the Municipal Indigent Policies should include amongst others, review of various definitions associated with indigents in the context of South Africa, the role of various stakeholders, acknowledgement of the varying circumstances of municipalities, review of the service levels, review of the methodology of targeting indigents, review of the methodology to implement an indigent policy in a municipality, and monitoring of implementation including budgeting and reporting on indigents.

The ultimate goal or outcome from this stage from the service provider will be to produce the draft reviewed National Framework for Municipal Indigent Policies and the Guideline for Implementation of the Municipal Indigent Policies with policy options consistent with local government legislation and the Constitution to be considered.

C. Stage Three: Consultation on the Reviewed National Framework for Municipal Indigent Policies and Implementation Guideline of the Municipal Indigent Policies

At this stage, the service provider is required to undertake the consultation process with sampled municipalities and the technical team consisting of the DCoG, the National Treasury, South African Local Government Association (SALGA), the Financial and Fiscal Commission (FFC), StatsSA and other stakeholders on the reviewed National Framework for Municipal Indigent Policies and Guideline for Implementation of the Municipal Indigent Policies and to gather the final inputs. Once the final inputs have been received, the service provider will need to consider and update the framework and the guideline for implementation.

The goal or outcome from this stage from the service provider will be to produce the draft final reviewed National Framework for Municipal Indigent Policies and the Guideline for Implementation of the Municipal Indigent Policies.

6. DELIVERABLES / KEY OUTCOMES FOR THE PROJECT

The following deliverables are envisaged at the conclusion of the assignment:

- 1) Comprehensive *status quo* analysis** on the current performance, methods and challenges in developing indigent policies and delivering FBS across municipalities.
- 2) Revised** National Framework for Municipal Indigent Policies and Guidelines for the Implementation of Municipal Indigent Policies with **policy options** consistent with local government legislation and the Constitution to be considered;
- 3) The research report** with all data collection instruments used; and
- 4) Final Revised** National Framework for Municipal Indigent Policies and Guidelines for the Implementation of Municipal Indigent Policies and **close out report** with conclusions and recommendations.

7. COMPETENCY AND EXPERTISE

The service provider is required to display the following competencies and expertise:

- a) Individuals with a minimum Masters' degree in economics, development economics, resource management (water, sanitation, refuse removal and electricity), public administration and public finance. A PhD in these fields will be an added advantage.
- b) At least **10 years'** experience and a working knowledge of the South African intergovernmental relations system, local government legislative and institutional framework, local government fiscal framework (in particularly the **local government equitable share**) and local government policies.
- c) A proven record of accomplishment of undertaking advanced policy-oriented research in the local government arena, specifically on municipal basic services and local government fiscal framework. Clear evidence in the form of published research articles is required.

- d) Demonstrate the ability and provide a proven record of accomplishment of undertaking household surveys and managing interactions with municipalities and government departments.
- e) Demonstrate the ability and provide a proven track record of the application of complex methodologies in undertaking legislative and policy reviews and financial and statistical analysis with large datasets.

8. TIME FRAME

- a. The contract with the successful service provider will be for the period of 24 months to complete.
- b. The project will commence upon date of signing of the Service Level Agreement (SLA) between the DCoG and the service provider.
- c. The above duration excludes the period required for the processes of appointment of the service provider.

9. PERFORMANCE AND REPORTING

To facilitate the performance of Service Providers and monitor their scope of work, the COGTA will:

- a. Enter into a Service Level Agreement (SLA) that will govern the relationship between CoGTA and the service provider. The SLA will include project phases that will address each of the project deliverable.
- b. Establish a Project Steering Committee to manage, monitor and oversee the project. This committee will ensure that:
 - i. Services are rendered timeously;
 - ii. Timeframes as far as possible are not extended;
 - iii. Will render a quality assurance function; and
 - iv. Will ensure that additional costs are not incurred unnecessarily.
- c. The Service Provider will be expected to table progress reports for each deliverable contained in the implementation plan as agreed and in terms of the project plan and SLA.
- d. Monitor the payment schedule that will be attached to the SLA. Payments will therefore only be approved and processed on the basis of the achievement of deliverables as per the implementation plan and/or project plan and related performed project tasks. These deliverables and related payments will be recommended by the Project Manager and approved by the Project Steering Committee.

10. FORM OF PROPOSAL

The bidder's proposal will be measured in terms of the level of detail, innovation, approach and methodology, practically in terms of the implementation as well as the ability to meet the project time lines. Bidders must include **a detailed work-plan/methodology** with the **detailed** budget reflecting all costs and the implementation plan as per proposal in their bid. **Failure to submit the detailed work-plan with implementation plan and budget containing cost-breakdowns (as per proposal) together with the bid will result in the bidder's bid to be viewed as invalid and therefore rejected.** The following information must be included in the work plan:

- a) Project implementation Plan that indicates the following:
 - Clearly defined milestones that are 100% aligned to each of the key objectives as well as each of the expected outputs/ deliverables as outlined in the scope of work.
 - Well defined timelines for each of the activities and deliverables.
 - Allocation of Human Resources & Cost-breakdown of each of the activities and deliverables.
- b) Proposed Governance Arrangements to support project implementation which may include but not limited to:
 - The establishment of a project steering committee.

- The establishment of a project management team highlighting the Experience and expertise of proposed team members must be attached.
- c) Detailed skills transfer and capacity building approach and plan.
 - d) Provide examples of at least three similar projects executed in the past with contactable references and contract details of the specific clients.
 - e) Provide internal control reporting/Compliance templates to be discussed with the CoGTA team before the Bid the specification committee.

Failure to include the above information together with the bid document on the closing date and time will invalidate the bid.

11. PRICING

Bidders will indicate the total cost of the project indicating the breakdown and all the milestones.

12. SPECIAL CONDITIONS OF CONTRACT

- a) The Department reserves the right not to appoint any service provider for the identified tender.
- b) The shortlisted service providers, who scored the highest total number of points during the evaluations, will be required to make a verbal presentation to the Department in addition to their written proposals as part of the formal evaluation process for the tender.
- c) The general conditions of contract as prescribed by National Treasury will be applicable in all instances.
- d) The appointed service provider will be provided with office space and office equipment (e.g. desks, chairs, telephones and printer) excluding any other Information Communication and Technology equipment, in line with the Policy of the Department.
- e) The appointed service provider will have to comply with the policies and procedures of the Department as may be applicable during the terms of the Agreement.
- f) All information and documents must be regarded as confidential and may not be made available to any unauthorised person or institution without the written consent of the Accounting Officer or his delegate.
- g) The Department will become the owner of all copies (hard and electronic) of the service provider in the execution of this bid.
- h) The copy right of all documents compiled by the prospective contractor during the duration of the service will vest in the Department and may not be reproduced or distributed or made available in any other way without the written consent of the Department.
- i) The system and its source code (customized programmes developed using computer language/software) will be owned by CoGTA.
- j) The department will enter into a service level agreement with the prospective service provider within two (2) weeks from date of the letter of appointment.
- k) The appointed service provider will be reporting to the Directorate: Equitable Share and Fiscal Transfers within the Institutional Development Branch of the Department of Cooperative Governance and will be expected to submit progress reports as set out in the signed agreement.
- l) Bid prices must be firm for the duration of the contract period, twenty-four months (24) months. The rates to be quoted in paragraph 4.1 of the terms of reference and the Department's bid documents must be all inclusive (e.g. professional fees, overheads and Value Added Tax) per resource.

13. **EVALUATION CRITERIA FOR ALL RECEIVED PROPOSALS**

The system comprises the following four elements:

- I. Functionality.....100
- II. Price.....80
- III. B-BBEE Contributor level.....20

All bids duly lodged will be evaluated to determine compliance with requirements and conditions of the bid. All proposals that do not comply with the requirements/conditions of the bid will be disqualified.

All bids that comply with the minimum requirement/conditions of the bid will be evaluated in two stages:

First Stage: functionality will be assessed as per Scorecard and then **Second Stage:** the qualifying bidders in the **First Stage** will be evaluated further on price and BEE Contributor Level using 80/20 preference point system as prescribed in Preferential Procurement Policy Framework Act 2000, Preferential Procurement Regulation 2017 and approved CoGTA Supply Chain Management Policy 2017. The evaluation will be done as follows.

STAGE 1: SCORECARD FOR FUNCTIONALITY

The following criteria will be applied for functionality to assess all the bidders who complied with minimum requirements:

CRITERIA	SUB-CRITERIA	SCALE	WEIGHT	HIGHEST POSSIBLE SCORE
An understanding and extensive knowledge of the policy implementation within Government (attach CVs of the proposed team highlighting their expertise).			6	30
	0 to 1 year of experience in qualitative and quantitative local government research.	1		
	2 to 4 years of experience in qualitative and quantitative local government research.	2		
	5 to 6 years of experience in qualitative and quantitative local government research.	3		
	7 to 9 years of experience in qualitative and quantitative local government research.	4		
	10+ years of experience in qualitative and quantitative local government research.	5		
Methodology and technical approach.			6	30
	Methodology / technical approach not clearly defined.	1		
	The methodology and technical approach does not adequately address the requirements in the TOR and the approach is not appropriately presented.	2		
	The methodology and technical approach is standard and does not fully address the entire scope of work/deliverables in detail.	3		
	The methodology and technical approach is discussed in detail and properly addresses the entire scope of work/deliverables and they have aligned the approach with the requirements in the TOR.	4		

CRITERIA	SUB-CRITERIA	SCALE	WEIGHT	HIGHEST POSSIBLE SCORE
	The methodology and technical approach is comprehensive and the approach is advanced and innovative on how to address the requirements in the TOR and has raised important issues, possible problems and proposed solutions.	5		
Experience in similar local government projects demonstrating research skills and evident understanding of government policy review (attach contactable references of similar projects completed).	No projects submitted undertaken with contactable references.	1	6	30
	1 project undertaken with contactable references.	2		
	1 to 3 projects undertaken with contactable references.	3		
	4 to 6 projects undertaken with contactable references.	4		
	7+ projects undertaken with contactable references.	5		
				2
An illustration of the skills transfer plan for the officials in the department.	Skills transfer plan not clearly defined.	1		
	Defined skills transfer plan to integrate the project team and the officials in the department.	2		
	Specific and practical skills transfer plan for training of officials in the department for during the phases of the project.	3		
	Specific and practical skills transfer plan for training of officials in the department for project roll out.	4		
	Specific and practical skills transfer plan for training of officials in the department for project roll out and innovation.	5		
TOTAL POSSIBLE SCORE				100

- a. Bids will be rated in respect of each criterion on a scale of 1 – 5 i.e. 1 = Poor, 2 = Acceptable, 3 = Good, 4 = Very good and 5 = Excellent. The maximum possible score that can be achieved for functionality is 100.
- b. The average score will be calculated for each bid by adding the individual scores awarded by the members of the Bid Evaluation Committee and dividing the total by the number of members. **Bids that do not achieve a minimum score of 70 (out of 100) for functionality will not be evaluated further and will not pass to STAGE 2 of this Bid**

STAGE 2: EVALUATION IN TERMS OF THE 80/20 PREFERENCE POINT SYSTEM

All received bids will be evaluated in terms of the 80/20 point system as stipulated in the Preferential Procurement Regulations, 2017. 80 points will be allocated for price and 20 points for attaining the B-BBEE status level of contributor.

Points for price will be calculated only for shortlisted bidder/s as follows:

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

Where

P_s = Points scored for competitive price of bid or offer under consideration;
 P_t = Competitive price of bid or offer under consideration; and
 P_{\min} = Competitive price of lowest acceptable bid or offer

The maximum possible score that can be achieved for price is 80 points.

NB: Bidders are required to, together with their bids submit original and valid B-BBEE status level verification certificates or certified copies to substantiate their B-BBEE rating claims. A bid will not be disqualified from the bidding process if the bidder does not submit a certificate substantiating the B-BBEE status level of contribution nor is a non-compliant contributor. Such a bidder will score 0 out of maximum of 20 points for B-BBEE.

B-BBEE Status Level of Contributor	Number of points (80/20 system)
1	20
2	18
3	14
4	12
5	8
6	6
7	4

Note: No preference will be awarded without submitting of a valid B-BBEE certificate or a consolidated B-BEE Certificate in case of a Joint Venture, Trust or Consortium and total points scored will be calculated by adding points scored for price and B-BBEE Contributor Level.

14. BRIEFING SESSION AND PRESENTATIONS

A compulsory briefing session must be attended before awarding of tender, and no bidder will be allowed to bid if they have not attended the briefing session. For successful and appointed bidders, allocation of the sampled municipalities will be undertaken by the department.

15. AWARDING OF BID

The bid will be awarded to the bidder who scored the highest total number of points as prescribed in the PPPFA, Preferential Procurement Regulations of 2016/17 and DCoG SCM policy of 2017.

In exceptional cases the bid may, on reasonable and justifiable grounds, be awarded to a bidder that did not score the highest number of points. Reasons for such decision must be approved and recorded for audit purposes and must be justifiable in the court of law (as prescribed on the Preferential Procurement Regulations 2017).

16. ENQUIRIES

Enquiries may be directed to:

The names and contact details of the relevant **DCoG** officials should be indicated in this paragraph as follows:

Terms of Reference:

Contact Person: Ms. Nontokozi Gwala

Telephone: 012 334 4927

Email: Nontokozog@cogta.gov.za

Procurement Procedures:

Contact Person: Mr. Kwazi Shezi

Telephone: 012 334 0848

Email: KwaziT@cogta.gov.za

Contact Person: Mr. Sandiso Mabija

or Telephone: 012 334 0823/24

Email: Sandisom@cogta.gov.za

Procurement Procedures:

Contact Person: Ms. Kgaugelo Tselana

Telephone: 012 334 0912

Email: Kgaugelot@cogta.gov.za

Part 4 – Schedule A

Government Procurement

General Conditions of Contract and Special Conditions of Contracts

NOTES

The purpose of this document is to:

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

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

- The General Conditions of Contract (GCC) will form part of all bid documents and may not be amended.
- Special Conditions of Contract (SCC) relevant to a specific bid should be compiled separately for every bid (if applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

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General Conditions of Contract

1. Definitions.

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 anything of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 "Day" means calendar day.
 - 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
 - 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.

- 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
- 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
- 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.25 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

2. Application.

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General.

- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za.

4. Standards.

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

5. Use of contract documents and information; inspection.

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

6. Patent rights.

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

7. Performance 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 in SCC.

8. Inspections, tests and analyses.

- 8.1. All pre-bidding testing will be for the account of the bidder.
- 8.2. If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.
- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing.

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

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

10. Delivery and documents

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

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

11. Insurance.

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

12. Transportation.

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

13. Incidental services.

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

- (a) Performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- (b) Furnishing of tools required for assembly and/or maintenance of the supplied goods;
- (c) Furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
- (d) Performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
- (e) Training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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

14. Spare parts.

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

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

15. Warranty

- 15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.
- 15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.
- 15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.
- 15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.
- 15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment

- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

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

18. Contract amendments

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

19. Assignment

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

20. Subcontracts.

20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this 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 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.

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

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

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

22. Penalties

22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23. Termination for default

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

- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- (b) If the Supplier fails to perform any other obligation(s) under the contract; or
- (c) If the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

- 23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.
- 23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.
- 23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard he intended penalty as not objected against and may impose it on the supplier.
- 23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.
- 23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
- (i) The name and address of the supplier and / or person restricted by the purchaser;
 - (ii) The date of commencement of the restriction
 - (iii) The period of restriction; and
 - (iv) The reasons for the restriction. These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.
- 23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

24. Anti-dumping and countervailing duties and rights

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

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

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

(a) The parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and

(b) The purchaser shall pay the supplier any monies due the supplier.

28. Limitation of 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.

29. Governing language

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

30. Applicable law

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

31. Notices.

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

31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

32. Taxes and duties

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

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

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

33. National Industrial Participation (NIP) Programme

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

34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).

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

34 Prohibition of Restrictive practices

34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

Part 4 – Schedule B

Government Procurement

Special Conditions of Contracts

(a) Selection of company/ resources when required

COGTA reserves the right to appoint one or more bidders for a single task mission. Bidders should adhere to this condition.

(b) Intellectual property rights and ownership of material

All intellectual property rights relating to any work produced by the service provider in relation to the performance of this Contract shall belong to **COGTA**. The service provider shall give **COGTA** every assistance in protecting such intellectual property rights. All material, in paper, electronic or any recorded format produced by the service provider in the performance of this Contract shall remain the property of **COGTA** and must be handed over to **COGTA** within one month of the completion of the contract.

All service providers undertake not to infringe the intellectual property of third parties. Should any action or claim be instituted against the **COGTA** emanating from an infringement of intellectual property or an alleged infringement of intellectual property, the service provider hereby indemnify **COGTA** against such claims or actions as well as all costs (including legal costs on an attorney and client scale).

(c) Amendments and variation

The terms of reference together with the offer made by the Service Provider and the acceptance thereof by **COGTA**, as well as the General Conditions of Contract shall constitute the formal agreement between **COGTA** and the Service Provider. No amendment of this agreement, variation, waiver, relaxation or suspension of any of the provisions thereof shall have any force or effect, unless reduced to writing and signed by both parties.

(d) Settlement of Disputes

All disputes will be settled within a period of 14 days through mediation proceedings.

(e) Indemnity

"The Service Provider shall indemnify **COGTA** against any claims for injury, loss or damage suffered during the assessment of a disaster."

(f) Ad hoc assessments

Assessments of the performance of the service provider will be conducted on an adhoc basis. If there is dissatisfaction with the performance, written notice outlining the deficiencies will be provided to the service provider who will have two weeks to rectify the deficiency, failing which the contract will be terminated.

(g) Termination of the contract

- (i) Service Provider must start to work on the Project 24 hrs after an approval of a project has been granted.
- (ii) If the service provider does not start to work on the project and after 14 days written notice addressed to his domicile address to start still fails to start on the project, this contract may be cancelled forthwith.
- (iii) This contract may be cancelled for reasons **other** than poor performance or breach of contract, by giving the service provider 14 days written notice to rectify or address the cause of concern where-after **COGTA** shall have the right to summarily cancel the contract upon written notice to the service provider.
- (iv) Depending on the assessments done by the Head of the National Disaster Management Centre under paragraph 11(c) above, the service provider may in writing be required to rectify his/her poor performance, failing which the contract with the service provider will be terminated.

(h) Communication

All communication must be done via the Head of the National Disaster Management Centre who is the designated contract officer of **COGTA/NDMC** responsible for the management of the contract.

(i) Service of Notices

All notices to **COGTA/NDMC** will be served to the following physical address:

The Department of Cooperative Governance and Traditional Affairs
87 Johannes Ramokhoase (Hamilton) Street Pretoria,
Arcadia
0002

SBD 3.3

Part 4 - Schedule C

PRICING SCHEDULE

(Professional Services)

NAME OF BIDDER:	BID NO: CoGTA (T) 06/2018
CLOSING TIME 11:00	CLOSING DATE: 26 NOVEMBER 2018

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

NB: USE ONLY BLACK INK, TO FILL IN THIS FORM

BID NUMBER	ITEM DESCRIPTION	TOTAL BID PRICE VAT INCLUSIVE (In SA Currency)
CoGTA (T) 06/2018	APPOINTMENT OF A SERVICE PROVIDER FOR THE REVIEW OF THE NATIONAL FRAMEWORK FOR MUNICIPAL INDIGENT POLICIES AND GUIDELINE FOR IMPLEMENTATION OF MUNICIPAL INDIGENT POLICIES FOR A PERIOD OF 24 MONTHS.	

Are the rates quoted firm for the full period of contract?

*YES/NO

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

.....

.....

SIGNATURE

DATE

CAPACITY

Part 4 – Schedule D

Declaration of Interest

SBD 4

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state¹, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

- the bidder is employed by the state; and/or
- the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

2. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

2.1 Full Name of bidder or his or her representative:

2.2 Identity Number:

2.3 Position occupied in the Company (director, trustee, shareholder²):

2.4 Company Registration Number:

2.5 Tax Reference Number:

2.6 VAT Registration Number:

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / persal numbers must be indicated in paragraph 3 below.

¹“State” means –

- (a) any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (b) any municipality or municipal entity;

- (c) provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

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

2.7 Are you or any person connected with the bidder presently employed by the state? **YES / NO**

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member:

Name of state institution at which you or the person connected to the bidder is employed :

Position occupied in the state institution:

Any other particulars:

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

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

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

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

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

2.8.1 If so, furnish particulars:

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

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

YES / NO

2.9.1 If so, furnish particulars.

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

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

YES/NO

2.10.1 If so, furnish particulars.

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

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

YES/NO

2.11.1 If so, furnish particulars:

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

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

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

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.

1. GENERAL CONDITIONS

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

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2

- a) The value of this bid is estimated to **exceed/not exceed** R50 000 000 (all applicable taxes included) and therefore the preference point system shall be applicable; or
- b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (*delete whichever is not applicable for this tender*).

1.3 Points for this bid shall be awarded for:

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

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

	POINTS
PRICE	
B-BBEE STATUS LEVEL OF CONTRIBUTOR	
Total points for Price and B-BBEE must not exceed	100

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

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

2. DEFINITIONS

- (a) **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **"B-BBEE status level of contributor"** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

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

3. POINTS AWARDED FOR PRICE

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

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

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

Where

- P_s = Points scored for price of bid under consideration
- P_t = Price of bid under consideration
- P_{\min} = Price of lowest acceptable bid

4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

- 4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

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

5. BID DECLARATION

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

6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

6.1 B-BBEE Status Level of Contributor: . =(maximum of 10 or 20 points)

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

7. SUB-CONTRACTING

7.1 Will any portion of the contract be sub-contracted?

(Tick applicable box)

YES		NO	
-----	--	----	--

7.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted.....%
- ii) The name of the sub-contractor.....
- iii) The B-BBEE status level of the sub-contractor.....
- iv) Whether the sub-contractor is an EME or QSE

(Tick applicable box)

YES		NO	
-----	--	----	--

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

Designated Group: An EME or QSE which is at last 51% owned by:	EME √	QSE √
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
OR		
Any EME		
Any QSE		

8. DECLARATION WITH REGARD TO COMPANY/FIRM

8.1 Name of company/firm:.....

8.2 VAT registration number:.....

8.3 Company registration number:.....

8.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

8.6 COMPANY CLASSIFICATION

- Manufacturer
- Supplier
- Professional service provider
- Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

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

8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution.

WITNESSES	
1.
2.

.....	
SIGNATURE(S) OF BIDDERS(S)	
DATE:
ADDRESS

Part 4 – Schedule F**DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES**

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

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's database 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 National Treasury after the <i>audi alteram partem</i> rule was applied).	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)? To access this Register enter the National Treasury's website, www.treasury.gov.za, click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 3265445.	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 outside of 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:		
4.4	Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		

CERTIFICATION

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

Part 4 – Schedule G
Certificate of Independent Bid Determination

SBD 9

- 1 This Standard Bidding Document (SBD) 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 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
 - a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
 - b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
- 4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

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

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

SBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Institution)

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

I certify, on behalf of: _____ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) Has been requested to submit a bid in response to this bid invitation;
 - (b) Could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) Provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or 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.
10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

DECLARATION THAT INFORMATION PROVIDED IN THIS BID IS TRUE, CORRECT AND UP TO DATE

(To be completed by bidder)

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

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

.....

AM AWARE OF THE CONTENTS CONTAINED IN THIS DOCUMENT, AND THAT THE SAID INFORMATION IS CORRECT AND UP TO DATE AS ON THE DATE OF SUBMITTING THIS BID.

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

.....
SIGNATURE OF BIDDER OR AUTHORISED REPRESENTATIVE

DATE :

TENDER AWARDS

1. DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES

- (a) Persons aggrieved by decisions or actions taken by the Department of Cooperative Governance in the implementation of its supply chain management system, may lodge within 21 days of the decision or action, a written objection, complaint, query or dispute against such decision or action.
- (b) Objections, complaints, queries or dispute must be submitted in writing to the Senior Manager: Supply Chain Management System, Department of Cooperative Governance, Private Bag X804, Pretoria, 0001 or be handed in personally to Senior Manager: Supply Chain Management System, Department of Cooperative Governance, 87 Hamilton Street, Arcadia, 0001.

2. APPEALS

- (a) In terms of section 3 of the Promotion of Administrative Justice Act, 3 of 2000 a person whose rights or legitimate expectation are adversely affected by the decision taken by the Department in the implementation of its supply chain management system, has the right to be given adequate notice of the right to request reasons for such decision or maybe given an adequate notice of any right of internal appeal and a reasonable opportunity to make representations, within 21 days of the date of the notification of the decision.
- (b) Appeals must be submitted in writing to the Senior Manager: Supply Chain Management System, Department of Cooperative Governance, 87 Hamilton Street, Arcadia 0001.

Such appeal must contain the following:

- (i) Reasons and /or grounds for the appeal.
- (ii) The way in which the appellants rights have been adversely affected.
- (iii) The remedy sought by the appellant.

Where the person whose rights have been adversely affected cannot read or write, such person must solicit the assistance of any person to lodge the appeal or may solicit the assistance of any official of the Department to help him/her lodge such appeal.

3. RIGHTS TO APPROACH THE COURTS IN TERMS OF THE PROMOTION OF ADMINISTRATIVE JUSTICE ACT, 3 OF 2000 (PAJA) AND PROMOTION OF ACCESS TO INFORMATION ACT, 2 OF 2000 (PAIA)

A person who is aggrieved by the decision of the appeal tribunal of the Department, may institute proceedings in a court or tribunal for the judicial review of such administrative decision of the supply chain management systems in terms of section 6 of PAJA.

He/she may also request access to information in order to advance his/her proceedings in court.

- (a) All legal process and pleadings must be served on the Director-General, Department of Cooperative Governance, 87 Hamilton Street, Arcadia, 0001.
- (b) All request in terms of the Promotion of Access to Information must be submitted in writing to the Information Officer, Department of Cooperative Governance, 87 Hamilton Street, Arcadia, 0001 by e-mail to: ThinavhuyoS@cogta.gov.za.