



Main Street  
Creighton, 3263  
P.O Box 62  
Creighton 3263  
Phone: +27 39 833 1038  
Fax: +27 39 833 1179  
Email: mailbox@ndz.gov.za  
[www.ndz.gov.za](http://www.ndz.gov.za)

**DR NKOSAZANA DLAMINI ZUMA  
MUNICIPALITY  
PANEL OF 5 DEBT COLLECTION  
AGENCIES FOR A PERIOD OF 36  
MONTHS**

**BID NO: BTO-B012/21/22**

<b>Name of bidder</b>	
<b>Telephone/Cellphone No.:</b>	
<b>Fax No:</b>	
<b>Address:</b>	
<b>Tender sum in Rands:</b>	
<b>Tender sum in words:</b>	

# **TABLE OF CONTENT**

- 1. INVITATION TO TENDER**
- 2. SPECIFICATION**
- 3. PRICING SCHEDULE**
- 4. EVALUATION CRITERIA**
- 5. FORMS TO BE COMPLETED**
- 6. CERTIFICATE OF ATTENDANCE AT BRIEFING MEETING**
- 7. TAX CLEARANCE CERTIFICATE REQUIREMENTS - MBD 2**
- 8. DECLARATION OF INTEREST - MBD 4**
- 9. PREFERENTIAL POINTS CLAIM FORM IN TERMS OF PREFERENTIAL PROCUREMENT REGULATIONS 2017 - MBD 6.1**
- 10. DECLARATION OF BIDDERS PAST SUPPLY**
- 11. SUPPLY CHAIN MANAGEMENT PRACTISES - MBD 8**
- 12. CERTIFICATE OF INDEPENDENT BID DETERMINATION- MBD 9**
- 13. FORM OF OFFER**
- 14. GCC**



## ADVERT

### PANEL OF 5 DEBT COLLECTION AGENCIES FOR A PERIOD OF 36 MONTHS

**BID NO: BTO-B012/21/22**

#### **REQUEST FOR TENDER: DR NKOSAZANA DLAMINI ZUMA MUNICIPALITY**

Dr Nkosazana Dlamini Zuma Municipality is requesting bids from suitably qualified and experienced Service Providers for panel of 5 debt collection agencies for a period of 36 months.

This bid will be evaluated in terms of the functionality and 80/20 Preferential Procurement Point system and the points will be allocated as follows. **80 – Price, 20 - BBEE.**

#### **Compulsory virtual briefing:**

- **NB: There is a compulsory virtual briefing session on the 6<sup>th</sup> September 2021 and time 10:00AM , All SUPPLIERS are expected to join the meeting by 10:00 after 10:15 am NO SUPPLIER Will be allowed to join the meeting after 10:15 am**
- **The link will be available on the municipal website ( <https://ndz.gov.za/open-tenders-2021-2022/> ) by 08:00 am on the day of briefing. All suppliers must login with company name.**

#### **AVAILABILITY OF DOCUMENTS**

Bid documents will be available at the Creighton Office from the **27<sup>th</sup> August 2021** during office hours until the **6<sup>th</sup> September 2021** at **16h30**. The cost of the bid document is **R454.00** which is non-refundable. An Electronic copy is available on our website ([www.ndz.gov.za](http://www.ndz.gov.za)) for **FREE**.

#### **DOCUMENTS TO BE SUBMITTED WITH THE QUOTATION:**

- Valid tax clearance certificate or Tax Compliance Status PIN
- Submit proof that the bidder and its directors do not owe municipal rates and services.
- Copy of a certificate of Company Registration with the Registrar of Companies and CC's (CK).
- Certified copy of B-BBEE certificate / Certified Affidavit
- Certified copies of ID's.
- Form of offer fully completed
- MDB 1, 4, 8 and 9 fully completed.
- Proof of registration with CSD

**CLOSING DATE:**

Bid documents must be submitted in a sealed envelope clearly marked with the Tender number and closing date and dropped off in the tender box at the **Dr Nkosazana Dlamini Zuma Municipality Offices, Main street, Creighton** by no later than **the 27<sup>th</sup> September 2021 before 12:00pm**. Late or faxed bids will not be accepted. Failure to comply with the above conditions will invalidate your offer.

The Dr Nkosazana Dlamini Zuma Municipality reserves the right not to make an appointment.

**NB: Bids will remain valid for a period of 90 days from date of the closing of the Bid. Enquiries may be directed to the following persons during office hours (08:00 – 16:30)**

Procedure related enquires: Miss N Holiwe (039) 833 1038

Technical Enquiries: Mr M Mzimela / Mr N Wela (039) 833 1038



Mr. N.C. VEZI  
Municipal Manager

ENTERED 27 NOV 2021

**MBD 1**

**PART A  
INVITATION TO BID**

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF MUNICIPALITY/ MUNICIPAL ENTITY)</b>			
BID NUMBER:	<b>BTO-B012/21/22</b>	CLOSING DATE:	<b>27<sup>th</sup> September 2021</b>
		CLOSING TIME:	<b>12:00</b>
DESCRIPTION	PANEL OF 5 SERVICE PROVIDERS FOR DEBT COLLECTION AGENCIES FOR A PERIOD OF 36 MONTHS		
<b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).</b>			
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS			

**Main Street  
Creighton  
3263**

SUPPLIER INFORMATION			
NAME OF BIDDER			
POSTAL ADDRESS			
STREET ADDRESS			
TELEPHONE NUMBER	CODE	NUMBER	
CELLPHONE NUMBER			
FACSIMILE NUMBER	CODE	NUMBER	
E-MAIL ADDRESS			
VAT REGISTRATION NUMBER			
TAX COMPLIANCE STATUS	TCS PIN:	OR	CSD No:
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes <input type="checkbox"/> No	B-BBEE STATUS LEVEL SWORN AFFIDAVIT	<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 PART B:3 ]
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE	R
SIGNATURE OF BIDDER	.....	DATE	
CAPACITY UNDER WHICH THIS BID IS SIGNED			

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	
DEPARTMENT	BTO	CONTACT PERSON	
CONTACT PERSON	Miss N Holiwe	TELEPHONE NUMBER	(039) 833 1038
TELEPHONE NUMBER	039 833 1039	FACSIMILE NUMBER	
FACSIMILE NUMBER	086 583 235	E-MAIL ADDRESS	<a href="mailto:welan@ndz.gov.za">welan@ndz.gov.za</a> and <a href="mailto:mzimelam@ndz.gov.za">mzimelam@ndz.gov.za</a>
E-MAIL ADDRESS	<a href="mailto:holiwen@ndz.gov.za">holiwen@ndz.gov.za</a>		

## PART B

### TERMS AND CONDITIONS FOR BIDDING

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

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

SIGNATURE OF BIDDER:

.....

CAPACITY UNDER WHICH THIS BID IS SIGNED:

.....

DATE:

.....

## SPECIFICATION

### 1. SCOPE OF WORK AND TERMS OF REFERENCE

The Dr Nkosazana Dlamini Zuma local Municipality (Dr NDZ) wishes to appoint debt collection agencies on an as and when required basis, for a period of 36 months with effect from date of acceptance, The Municipality will require the successful bidders to provide the following:

- a) Tracing of all handed-over debtors
- b) Locate debtors and information needed to succeed in recoveries.
- c) Obtain outstanding information from debtor where possible.
- d) Setting up and maintain debtor's files
- e) Reporting on a monthly basis on the status of the various debtors handed over for collection as well as the successful collection of the capital amount collected.
- f) Provision of a service which is expedient, economical and feasible backed by experience, resources and appropriate technology.
- g) Negotiate and manage repayments plans.
- h) To conduct a recovery services by collecting and revering all outstanding
- i) Monies by means of telephonic as well as written Communication.
- j) To submit all relevant enquiries and requests obtained from the debtors in
- k) Respect of the debts outstanding.
- l) j) To submit year-end reports regarding the status quo of debtors.
- m) Customers as identified by the Dr NDZ.
- n) The collection of arrear sundry charges from customers from active and in active account holders as identified by Dr NDZ.
  - i. Hand-over of specific accounts, within debt collection criteria, to bidder reflecting all relevant account holder details, account balance and service breakdown.
  - ii. Agents to assist account holders with resolving of hand-over account enquiries in terms of the Dr NDZ administrative or credit control procedure.
  - iii. Identification of indigent debtors through the normal debt collection process
  - iv. and acquiring of required application details in terms of approved indigent
  - v. policy.
  - vi. The collection of arrear payments due to Council, including interest, legal penalties, Value Added Tax and any other arrear amount reflected on the rate payer's hand-over account.
  - vii. The submission, in electronic format, of updated account holders personal contact or related details.



- viii. The submission of detailed monthly progress reports in respect of individual matters.

## **2. EXTENT OF COLLECTION PROCESS:**

The collection process will consist of a PRE-LEGAL, LEGAL and ADMINISTRATIVE process.

The Dr NDZ will identify accounts to be handed over to appointed collection agent only after certain internal debt control procedures have been affected. These procedures will include, but will not be limited to, the issue of final notices, or any internal collection strategy and or incentive implemented by Dr NDZ.

### **PRE-LEGAL process will entail the following:**

- i. The Dr NDZ shall from time to time and in its discretion instruct the collection agent to collect any debt by delivering to the collection agent, electronically or any other form reasonably acceptable, details of debt and debtor details as reflected on the Dr NDZ financial system to enable the collection agent to collect such debt.
- ii. In the event that current debtor information is incorrect or insufficient, collection agent is to make use of any legal tracing method or access any relevant external data source to obtain correct debtor details. These details are to be submitted to the Dr NDZ in order to update records.
- iii. Collection agent will issue reasonable pro-active reminders including personal contact, demand for payment and opportunity for re-dress in respect of all accounts handed over for collection.
- iv. Collection agent will allow sufficient time period for account holder to respond to reminders and / or personal contact.
- v. Collection agent will record actions taken on Samras financial system. (subject to agreement with Dr NDZ on the access to the Samras system)/+

### **LEGAL PROCESS will entail the following:**

- i. The collection agent will, in the absence of sufficient response and / or proactive actions from account holder institute all necessary legal actions up to and including the granting of a warrant of execution.
- ii. Issue summonses to defaulting account holders.
- iii. Obtain default judgment against and black listing of defaulting account holders in
  - a) Terms of Dr NDZ approved CREDIT CONTROL POLICY.
- iv. Obtain emolument attachment and movable asset attachment order.
- v. Obtain court order for attachment and sale in execution of immovable assets.
- vi. Prior written approval to be obtained from Municipal Manager/ Chief Financial Officer in respect of the following legal proceedings:



- a. Blacklisting
- b. Attachment of movable assets
- c. Sale in execution of immovable assets
- d. Defended matters
- e. Handling of all legal matters arising from hand-over account.
- f. Defended matter must in ALL instances be handed over to Chief Financial Officer for verification and allocation to appointed external legal panel. Matter will in totality be withdrawn from collection agent.

**ADMINISTRATIVE PROCESS will entail the following:**

- i. Formal reversal of uncollectable debt accounts with detailed steps taken in collection process and reasons why debt is deemed uncollectable.
- ii. Recording and tracking of account enquiries and or disputes.
- iii. Submission, in electronic format, of updated account holder details.
- iv. Submission of information regarding prospective Indigent beneficiaries
- v. Submission of formal arrangement documentation.
- vi. Detailed reporting functions in respect of all related collection matters.

**3. COMMISSIONABLE COLLECTIONS**

Commissionable collections will be considered only if the total or adjusted hand over amount on date of hand-over is paid to Council and receipted in the Council's financial system.

**Commissionable collections will include:**

- i. Amounts identified by both parties (agent and municipality), to have been received by Council and deposited into the Council's bank account more than 120 days prior to identification, but not yet allocated to the rate payers account and where insufficient information is reflected on bank statement to effectively allocate payment to rate payer account.
- ii. Amounts collected in terms of FORMAL DEBT REPAYMENT AGREEMENT as prescribed by the Dr NDZ Will only be Commissionable if receipted and if the conditions of agreement are adhered to for the duration of agreement.
- iii. Amounts receipted in terms of court order and or judgment.
- iv. Amounts receipted in terms of proceeds from "Sale in Execution" of movable or immovable assets.
- i. But will exclude:

- i. Any amounts collected by the collection agent in excess of the amount actually handed over or adjusted hand over amount even if such excess amount was collected as a result of error on the part of the Council or collection agent.
- ii. Adjusted portion of hand-over account due to administrative, billing or account enquiry error.
- iii. Accounts withdrawn from hand-over process.
- iv. Clearance debt in terms of Section 118 of Systems act (Act 32 of 2000) applied for before or after hand-over for collection.
- v. Amounts identified by the parties , to have been received by Council less than 120 days prior to identification but not yet allocated to the rate payers account.
- vi. Amounts identified by the parties, to have been received by Council and deposited into the Councils bank account more than 120 days prior to identification, but not yet allocated to the rate payers account but where sufficient information is reflected on bank statement to effectively allocate payment to levy payer account.
- vii. Commissionable collections will specifically EXCLUDE any amount of capital debt, legal costs, other costs and interest written off and / or adjusted by the Dr NDZ as an incentive, administrative error or specific circumstance as approved by the Dr NDZ in terms of delegated authority/policy.
- viii. Additional Charges to accounts: No additional charges or Commission, other than those charges legally raised against an account by the Dr NDZ, may be raised or collected from consumers, account holders or rate payers by an agent of the Dr NDZ.

### **3. COLLECTION OF PAYMENT**

All payments are to be effected by debtors through the available payment methods which include electronic payments via financial institutions, debit orders, or cash at the Dr NDZ pay points.

Payments are to be handed over to the Dr NDZ administration on a daily basis and should be recorded on a reconciliation sheet.

### **4. WITHDRAWAL OF INSTRUCTIONS**

**Dr NDZ Instructions**

The Dr NDZ may at any time instruct the collection agent to cease proceedings against any particular debtor and withdraw any such instruction in respect of the collection of amount owing by any debtor.

The Dr NDZ will not be required to submit reasons to the collection agent for withdrawal instruction.

**Defended Matters**

In the event of the debtor indicating that matter will be defended, the collection agent shall report such fact to the Revenue Manager /Chief Financial Officer and shall not proceed with the Prosecution of such action.

**Unsuccessful collections**

After a period of three months from date of collection instruction being issued, the collection agent is to return the instruction and all relevant documentation to the Dr NDZ, if the debt is not paid in full or if no satisfactory arrangement has been concluded with debtor to pay outstanding debt.

The Dr NDZ shall be entitled to call for reasons from the collection agent as to why no collection of debt was achieved and the collection agent shall be obliged to furnish such reasons to the Dr NDZ.

### **General**

The agent will refrain from having any contact or dealings with accountholder as from the date the withdrawal instruction is issued by Dr NDZ, defended matter is handed over to Dr NDZ or if file is handed over due to unsuccessful collection.

The agent will have no claim against any collections or payments made after the date of withdrawal of hand-over instruction.

The Dr NDZ will not be liable for the payment of ANY costs incurred by the collection agent up to the time of withdrawal of instruction



---

**MR. M. MZIMELA**  
**SENIOR MANAGER:**



---

**MR. N.C. VEZI**  
**MUNICIPAL MANAGER**

**CERTIFICATE OF ACKNOWLEDGEMENT**

This is to certify that I \_\_\_\_\_

Representing \_\_\_\_\_

In the company of a representative of Dr Nkosazana Dlamini Zuma Municipality I carefully examined the document and have made myself familiar with all the requirements.

I further certify that I am satisfied with all the descriptions for the appointment of a service to panel of 5 service providers for debt collection agencies for a period of 36 months for the Dr Nkosazana Dlamini Zuma Municipality by the said representative.

\_\_\_\_\_  
BIDDERS SIGNATURE

\_\_\_\_\_  
REPRESENTATIVE OF THE MUNICIPALITY

**OFFICIAL DR  
NKOSAZANA  
DLAMINI ZUMA  
MUNICIPALITY  
STAMP**

**FORM A: RELEVANT EXPERIENCE**

The Bidder shall enter in the spaces provided below a list of relevant experience with similar projects.

NB: Failure to provide the necessary information will compromise the proposal.

Employer (Name, Tel. No. or Fax No.)	Details of Project	Value of Work (fees)	Year
Client:..... Person:..... Tel.:..... Fax:.....			
Client:..... Person:..... Tel.:..... Fax:.....			
Client:..... Person:..... Tel.:..... Fax:.....			
Client:..... Person:..... Tel.:..... Fax:.....			

**FORM B: KEY PERSONEL EXPERIENCE**

The Bidder shall enter in the spaces provided below a details of key personnel.  
 NB: Failure to provide the necessary information will compromise the proposal.

Key personnel details	Position	Relevant projects	Year of experience
Name:..... Surname:..... Tel.:..... Email :.....			
Name:..... Surname:..... Tel.:..... Email :.....			
Name:..... Surname:..... Tel.:..... Email :.....			
Name:..... Surname:..... Tel.:..... Email :.....			

**REQUEST FOR BIDS: PANEL OF 5 SERVICE PROVIDERS FOR DEBT COLLECTION AGENCIES FOR A PERIOD OF 36 MONTHS**

<b>Key aspect of criterion</b>	<b>Basis for points allocation</b>	<b>Max. Points</b>	<b>Actual Score</b>	<b>Verification Method</b>
<b>RELEVANT EXPERIENCE: Experience of the Company in carrying out similar projects (25)</b>				
<b>Relevant Experience in a similar project</b>	5 x completed similar projects. Bidders to submit a letter of reference.	25		reference letters
	4 x completed in a similar projects. Bidders to submit a letter of reference.	20		reference letters
	3 x completed in a similar projects. Bidders to submit letter of reference.	15		reference letters
	2 x completed in a similar projects. Bidders to submit a letter of reference.	10		reference letters
	1 x completed in a similar projects. Bidders to submit letter of reference.	5		reference letters
<b>KEY PERSONNEL: The qualification and experience of the proposed key personnel (15)</b>				
It is essential that the Consultant provides suitably qualified personnel to carry out the project. Three key functions have been identified and the Proposal will be evaluated on the qualifications and experience of the personnel who will carry out these functions. The functions are;-				
In house legal division	If PM has 10 years' experience and has completed similar projects in the capacity of Project Manager.	15		Certified copy of Qualification (LLB Degree or equivalent) to be attached with detailed CV's.
	If PM has 5 years' experience and has completed similar projects in the capacity of Project Manager, and registered as professional PM	10		Certified copy of Qualification(LLB Degree or equivalent) to be attached with detailed CV's.
	If PM has 2 years' experience and has completed similar projects in the capacity of Project Manager or lower level, and registered as professional PM	2		Certified copy of Qualification (LLB Degree or equivalent) to be attached with detailed CV's.



**METHODOLOGY:** The proposal must demonstrate that the consulting engineering firm understands the challenges posed by project. Highlighting the number of project specific challenges indicated under each of the tasks listed below will be necessary to achieve maximum points for methodology. **(50)**

<b>in-house software or system for debt collection relevant to the project</b>	Sample reports	10		Detailed Method statement to cover the key aspect of project Inception
	Account summary	10		Detailed Method statement to cover the key aspect of project Planning
	Queries	10		Detailed Method statement to cover the key aspect of project Execution
	Arrangements	10		Detailed Method statement to cover the key aspect of project Monitoring, Evaluation and Closure.
	Segmentation report	10		
<b>Total points</b>		50		

**If the Service Provider scores less than 70% points for functionality, then the bid will be deemed no-responsive and will not be considered for further evaluation.**

**Price and Preference**

- **Price** **80 points**
- **B-BBEE verification status** **20 points**
- **Total** **100 points**

**REQUEST FOR BIDS: PANEL OF 5 SERVICE PROVIDERS FOR DEBT COLLECTION AGENCIES FOR A PERIOD OF 36 MONTHS**

**CERTIFICATES OF GOOD STANDING**

The bidder shall attach to this page the following:

**REQUEST FOR BIDS: PANEL OF 5 SERVICE PROVIDERS FOR DEBT COLLECTION AGENCIES FOR A PERIOD OF 36 MONTHS**

**CERTIFICATES OF GOOD STANDING**

The bidder shall attach to this page the following:

<b>COMPULSORY DOCUMENTS</b>	<b>TICK</b>
a) Proof of registration with CSD- starting with (MAAA)	
b) Joint Venture Agreement (if necessary)	
<p>c) Submit proof that the bidder (<b>Company</b>) and its (<b>directors</b>) do not owe municipal services.</p> <p>-Attach updated municipal rates, water or electricity statement not in arrears for more than 90 days</p> <p>Or</p> <p>-Attach a valid lease agreement if the director is leasing offices and residential Property with a confirmation letter from the landlord confirming that the municipal rates and services are in order</p> <p>Or</p> <p>- Attach exemption letter from the relevant municipality.</p> <p>Or</p> <p>- Attach affidavit if the Municipal Account is under your parents or siblings and they are responsible for paying municipal rates (if the address is the same as yours) and attach the copy of the Municipal rates and services for the above mentioned.</p> <p>Or</p> <p>- Attach copy of a marriage certificate and municipal account statement for rates and services, if Municipal account is under your spouse.</p>	
d) Form of offer fully completed	
e) MBD 1,4,8 and 9 fully completed	

**NB: Failed to submit the above documents your tender will be disqualified**

<b>DOCUMENTS TO BE SUBMITTED</b>	<b>TICK</b>
a) Certified Copies of CK Documents / Sole proprietary	
b) Valid Tax clearance certificate (with your pin number print and attach on the document Tax Clearance Certificate)	
c) Certified BBBEE verification certificate for Preferential points claim or sworn affidavit	
d) Certified copies of Identification documents of all members/directors of the entity	



**TAX CLEARANCE CERTIFICATE REQUIREMENTS**

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

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

**PANEL OF 5 SERVICE PROVIDERS FOR DEBT COLLECTION AGENCIES FOR A PERIOD OF 36 MONTHS**

**MBD 3 - PRICING SCHEDULE**

**YEAR 1**

<b>ITEM</b>	<b>DESCRIPTION</b>	<b>DEBT COLLETION</b>	<b>COMMISSION %</b>	<b>TOTAL</b>
	<b>Sub Total</b>			
	<b>Vat @ 15%</b>			
	<b>Total</b>			

**YEAR 2**

<b>ITEM</b>	<b>DESCRIPTION</b>	<b>DEBT COLLETION</b>	<b>COMMISSION %</b>	<b>TOTAL</b>
	<b>Sub Total</b>			
	<b>Vat @ 15%</b>			
	<b>Total</b>			

**YEAR3**

<b>ITEM</b>	<b>DESCRIPTION</b>	<b>DEBT COLLETION</b>	<b>COMMISSION %</b>	<b>TOTAL</b>
	<b>Sub Total</b>			
	<b>Vat @ 15%</b>			
	<b>Total</b>			

**DECLARATION OF INTEREST**

1. No bid will be accepted from persons in the service of the state<sup>1</sup>.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.

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

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

3.2 Identity Number: .....

3.3 Position occupied in the Company (director, trustee, hareholder<sup>2</sup>):.....

3.4 Company Registration Number: .....

3.5 Tax Reference Number.....

3.6 VAT Registration Number: .....

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

3.8 Are you presently in the service of the state? **YES / NO**

3.8.1 If yes, furnish particulars.....

.....

<sup>1</sup>MSCM Regulations: "in the service of the state" means to be –

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

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

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

3.9.1 If yes, furnish particulars.....

.....

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

3.10.1If yes, furnish particulars.

.....  
.....

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

3.11.1If yes, furnish particulars

.....  
.....

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

3.12.1 If yes, furnish particulars.

.....  
.....

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

3.13.1If yes, furnish particulars.

.....  
.....

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

3.14.1 If yes, furnish particulars:

.....  
.....



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

Full Name	Identity Number	State Employee Number

.....  
**Signature**

.....  
**Date**

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

**PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2011 WAS AMENDED TO ALIGN WITH NEW B-BBEE CODES OF GOOD PRACTICE IN THE 2017 REGULATIONS PURCHASES**

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

**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; and
  - the 90/10 system for requirements with a Rand value above R50 000 000.
- 1.2 The value of this bid is estimated to exceed/not exceed R50 000 000 and therefore the 80/20 system shall be applicable.
- 1.3 Preference points for this bid shall be awarded for:
  - (a) Price; and
  - (b) Specific contract participation goals, as specified in the attached forms.
- 1.3.1 The points for this bid are allocated as follows:

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

- 1.4 Failure on the part of a bidder to fill in and/or to sign this form may be interpreted to mean that preference points are not claimed.
- 1.5 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

## 2. GENERAL DEFINITIONS

- 2.1 **“Acceptable bid”** means any bid which, in all respects, complies with the specifications and conditions of bid as set out in the bid document.
- 2.2 **“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, works or services.
- 2.3 **“Comparative price”** means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration.
- 2.4 **“Consortium or joint venture”** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract.
- 2.5 **“Contract”** means the agreement that results from the acceptance of a bid by an organ of state.
- 2.7 **“Control”** means the possession and exercise of legal authority and power to manage the assets, goodwill and daily operations of a business and the active and continuous exercise of appropriate managerial authority and power in determining the policies and directing the operations of the business.
- 2.11 **“Management”** means an activity inclusive of control and performed on a daily basis, by any person who is a principal executive officer of the company, by whatever name that person may be designated, and whether or not that person is a director.
- 2.12 **“Owned”** means having all the customary elements of ownership, including the right of decision-making and sharing all the risks and profits commensurate with the degree of ownership interests as demonstrated by an examination of the substance, rather than the form of ownership arrangements.
- 2.13 **“Person”** includes reference to a juristic person.
- 2.14 **“Rand value”** means the total estimated value of a contract in Rand denomination that is calculated at the time of bid invitations and includes all applicable taxes and excise duties.
- 2.15 **“Small, Medium and Micro Enterprises (SMMEs)”** bears the same meaning assigned to this expression in the National Small Business Act, 1996 (No 102 of 1996).
- 2.16 **“Sub-contracting”** means the primary contractor’s assigning or leasing or making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.
- 2.17 **“Trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person.
- 2.18 **“Trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

## 3. ADJUDICATION USING A POINT SYSTEM

- 3.1 The bidder obtaining the highest number of points will be awarded the contract.
- 3.2 Preference points shall be calculated after prices have been brought to a comparative basis.
- 3.3 Points scored will be rounded off to 2 decimal places.
- 3.4 In the event of equal points scored, the bid will be awarded to the bidder scoring the highest number of points for specified goals.

**4. POINTS AWARDED FOR PRICE**

**4.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS**

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

$$\begin{matrix} & \mathbf{80/20} & & \mathbf{or} & & \mathbf{90/10} \\ & = & & & & = \\ \text{Where} & P_s = 80 & \frac{100 - P_t - P_{\min}}{P_{\min}} & & & P_s = 90 & \frac{100 - P_t - P_{\min}}{P_{\min}} \end{matrix}$$

- Ps = Points scored for price of bid under consideration
- Pt = Rand value of bid under consideration
- Pmin = Rand value of lowest acceptable bid

- 6.2 Equity claims for a trust will only be allowed in respect of those persons who are both trustees and beneficiaries and who are actively involved in the management of the trust.
- 6.3 Documentation to substantiate the validity of the credentials of the trustees contemplated above must be submitted.
- 6.4 Listed companies and tertiary institutions do not qualify for HDI preference points.
- 6.5 A consortium or joint venture may, based on the percentage of the contract value managed or executed by each entity, to be entitled to preference points in respect of BEE.
- 6.6 A person awarded a contract as a result of preference for contracting with, may not subcontract more than 25% of the value of the contract to a person who is not an BEE compliant or does not qualify for the same number or more preference for BEE.

**7. BID DECLARATION**

- 7.1 Bidders who claim points in respect of BEE must complete the Bid Declaration at the end of this form.

**8. DESCRIBE PRINCIPAL BUSINESS ACTIVITIES**

---

---

**9. COMPANY CLASSIFICATION**

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

[TICK APPLICABLE BOX]

**10. MUNICIPAL INFORMATION  
(DISCTRICT MUNICIPALITY ACCOUNT) \*WATER AND SANITATION ACCOUNT**

District Municipality where business is situated: .....

Registered Account No: .....

Stand No: .....

**(LOCAL MUNICIPALITY ACCOUNT) \*RATES, REFUSE, ELECTRICTY ACCOUNTS**

Local Municipality where business is situated: .....

Registered Account No: .....

Stand No: .....

**11 TOTAL NUMBER OF YEARS THE FIRM HAS BEEN IN BUSINESS? .....**

**12 Consortium / Joint Venture**

**12.1** In the event that preference points are claimed for BEE members by consortia / joint ventures, the following information must be furnished in order to be entitled to the points claimed in respect of the HDI member:

Name of joint venture or consortium partner (to be consistent with paragraph 9.8)	Percentage (%) of the contract value managed or executed by the Joint Venture or Consortium Partner

**12.2** I/we, the undersigned, who warrants that he/she is duly authorised to do so on behalf of the firm certify that points claimed, based on the BEE status, indicated in paragraph 8 of the foregoing certificate, qualifies the firm for the preference(s) shown and I / we acknowledge that:

- (i) The information furnished is true and correct.
- (ii) The BEE status claimed is in accordance with the General Conditions as indicated in paragraph 1 of this form.

- (iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 8, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct.
- (iv) If the claims are found to be incorrect, the purchaser may, in addition to any other remedy it may have -
  - (a) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct; and
  - (b) 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;

**WITNESSES:**

- 1. ....
- 2. ....

Signature(s) of bidders

**DECLARATION OF BIDDER’S PAST SUPPLY CHAIN MANAGEMENT PRACTICES**

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

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury’s database as a company or person prohibited from doing business with the public sector? <b>(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).</b>	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)? <b>(To access this Register enter the National Treasury’s website, <a href="http://www.treasury.gov.za">www.treasury.gov.za</a>, 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).</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		



4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
<b>Item</b>	<b>Question</b>	<b>Yes</b>	<b>No</b>
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

**CERTIFICATION**

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

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

.....

**Signature**

.....

**Date**

.....

**Position**

.....

**Name of bidder**

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

\_\_\_\_\_

(Bid Number and Description)

in response to the invitation for the bid made by:

\_\_\_\_\_

(Name of Municipality / Municipal Entity)

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

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

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - (a) has been requested to submit a bid in response to this bid invitation;
  - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. How-ever communication between partners in a joint venture or consortium 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**

.....  
**Position**

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

.....  
**Date**

**AGREEMENTS AND CONTRACT DATA**  
**Form of Offer and Acceptance**

**A: Offer**

The Employer, identified in the Acceptance signature block, has solicited offers to enter into a Contract for the procurement of:

**BID NO: BTO-BO12/21/22 - PANEL OF 5 SERVICE PROVIDERS FOR DEBT COLLECTION AGENCIES FOR A PERIOD OF 36 MONTHS**

The Tenderer, identified in the Offer signature block, has examined the documents listed in the Tender Data and addenda thereto as listed in the returnable schedules, and by submitting this offer has accepted the conditions of tender.

By the representative of the tenderer, deemed to be duly authorized, signing this part of this form of offer and acceptance, the tenderer offers to perform all of the obligations and liabilities of the contractor under the contract including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined in accordance with the conditions of contract identified in the contract data.

**THE OFFERED TOTAL PRICE INCLUSIVE OF VALUE ADDED TAX (VAT) IS**

.....  
.....  
..... Rand (in words);

**R**..... (in figures),

This offer may be accepted by the employer by signing the Acceptance part of this Form of Offer and Acceptance and returning one copy of this document to the tenderer before the end of the period of validity stated in the tender data, whereupon the tenderer becomes the party named as the contractor in the conditions of contract identified in the contract data.

**Signature:** .....

**Name: (in capitals)** .....

**Capacity of Signatory:** .....

**Name of Tenderer (organisation):** .....

**Address:** .....

Fax: ..... Tel:.....

**Witness:**

Signature: ..... Name: ....

Date: .....

**Failure to complete and sign this form will invalid your bid**

**B: Acceptance**

By signing this part of this form of offer and acceptance, the employer identified below accepts the tenderer's offer. In consideration thereof, the Employer shall pay the Contractor the amount due in accordance with the conditions of contract identified in the contract data. Acceptance of the tenderer's offer shall form an agreement, between the employer and the tenderer upon the terms and conditions contained in this agreement and in the contract that is the subject of this agreement.

The terms of the contract, are contained in

- Pricing data

Deviations from and amendments to the documents listed in the tender data and any addenda thereto as listed in the tender schedules as well as any changes to the terms of the offer agreed by the tenderer and the employer during this process of offer and acceptance, are contained in the schedule of deviations attached to and forming part of this agreement. No amendments to or deviations from said documents are valid unless contained in this schedule.

The tenderer shall within two weeks after receiving a completed copy of this agreement, including the schedule of deviations (if any), contact the employer's agent (whose details are given in the contract data) to arrange the delivery of any bonds, guarantees, proof of insurance and any other documentation to be provided in terms of the conditions of contract identified in the contract data. Failure to fulfil any of these obligations in accordance with those terms shall constitute a repudiation of this agreement.

Notwithstanding anything contained herein, ***this agreement comes into effect on the date when the tenderer receives one fully completed original copy of this document***, including the schedule of deviations (if any). Unless the tenderer within five working days of the date of such receipt notifies the employer in writing of any reason why he cannot accept the contents of this agreement, this agreement shall constitute a binding contract between the parties.

**Signature:** .....

**Name: (in capitals)**.....

**Capacity:** .....

**Name of Employer (organization):** .....

**Address:** .....  
.....  
.....

**Witness:**

**Signature:** ..... **Name:** .....

**Date:** .....

## **CONDITIONS OF CONTRACT**

Contract No. \_\_\_\_\_

Name of Contract: \_\_\_\_\_

\_\_\_\_\_

**entered into between**

Name of Institution

\_\_\_\_\_

herein represented by \_\_\_\_\_

in his/her capacity as \_\_\_\_\_

**and**

Name of Vendor

\_\_\_\_\_

Registration Number

\_\_\_\_\_

herein represented by \_\_\_\_\_

in his/her capacity as \_\_\_\_\_

and duly authorized by resolution dated \_\_\_\_\_

a copy of which is annexed hereto marked \_\_\_\_\_



## TABLE OF CONTENTS

4. Full details of directors / trustees / members / shareholders. ....	17
<b>80/20 or 90/10</b> .....	<b>Error! Bookmark not defined.</b>
<b>Section A</b> .....	<b>37</b>
<b>General Conditions of Contract</b> .....	<b>37</b>
1. <b>Definitions</b> .....	37
2. <b>Application</b> .....	39
3. <b>General</b> .....	40
4. <b>Standards</b> .....	40
5. <b>Use of Contract Document and Information; Inspection</b> .....	40
5. <b>Patent Rights</b> .....	41
6. <b>Performance Security</b> .....	41
8. <b>Inspection, Tests and Analysis</b> .....	42
9. <b>Packaging</b> .....	43
10. <b>Delivery and Documents</b> .....	43
11. <b>Insurance</b> .....	43
12. <b>Transportation</b> .....	44
13. <b>Incidental Services</b> .....	44
14. <b>Spare Parts</b> .....	44
15. <b>Warranty</b> .....	45
16. <b>Payment</b> .....	46
17. <b>Prices</b> .....	46
18. <b>Contract Amendments</b> .....	46
19. <b>Assignment</b> .....	47
20. <b>Subcontractors</b> .....	47
21. <b>Delay in Vendor's Performance</b> .....	47
22. <b>Penalties</b> .....	48
23. <b>Termination for Default</b> .....	48
24. <b>Anti-Dumping and Countervailing Duties and Rights</b> .....	50
25. <b>Force Majeure</b> .....	50
26. <b>Termination on Insolvency</b> .....	51
27. <b>Settlement of Disputes</b> .....	51
28. <b>Limitation of Liability</b> .....	52
29. <b>Governing Language</b> .....	52
30. <b>Applicable Law</b> .....	53
31. <b>Notices</b> .....	53
32. <b>Taxes and Duties</b> .....	53
33. <b>National Industrial Participation Programme</b> .....	53
34. <b>Prohibition of Restrictive Practices</b> .....	54

# Section A

## General Conditions of Contract

### 1. Definitions

The following terms shall be interpreted as indicated:

- 1.1 **“Closing time”** means the date and hour specified in the bidding documents for the receipt of bids.
- 1.2 **“Contract”** means the written agreement entered into between the Purchaser and the Vendor, 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 Vendor 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 with the conditions of the contract or order.

- 1.9 **“Delivery ex stock”** means immediate delivery directly from stock actually on hand.
- 1.10 **“Delivery into consignee’s store or to his site”** means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the Vendor 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 markets 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 Vendor and not involving the Vendor’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 Vendor 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 Vendor 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/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 Institution purchasing the goods/works and/or service.
- 1.22 **“Republic”** means the Republic of South Africa.
- 1.23 **“SCC”** means the Special Conditions of Contract.
- 1.24 **“Services”** means that 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 Vendor 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 Vendors, services or works.

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

### **3. General**

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

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

### **4. Standards**

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

### **5. Use of Contract Document and Information; Inspection**

5.1 The Vendor 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 Vendor 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 Vendor 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 Vendor's performance under the contract if so required by the Purchaser.

- 5.4 The Vendor shall permit the Purchaser to inspect the Vendor's records relating to the performance of the Vendor and to have them audited by auditors appointed by the Purchaser, if so required by the Purchaser.
- 5.5 The Vendor shall indemnify the Purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the Purchaser.

## **6. Patent Rights**

- 6.1 The Vendor 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 The proceeds of the performance security shall be payable to the Purchaser as compensation for any loss resulting from the Vendor's failure to complete his obligations under the contract.
- 7.2 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.
- 7.3 The performance security will be discharged by the Purchaser and returned to the Vendor not later than thirty (30) days following the date of completion of the Vendor's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

## **8. Inspection, Tests and Analysis**

- 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 Institution or an organization acting on behalf of the Institution.
- 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 Vendor.
- 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 Vendor 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 Vendor's cost and risk. Should the Vendor fail to provide the substitute supplies forthwith, the Purchaser may, without giving the Vendor further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the Vendor.

- 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. Packaging**

- 9.1 The Vendor 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 Vendor in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the Vendor are specified in SCC.
- 10.2 Documents to be submitted by the Vendor 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 Vendor 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 Vendor of any warranty obligations under this contract;
  - e) training of the Purchaser's personnel, at the Vendor's plant; and /or
  - f) on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.
- 13.2 Prices charged by the Vendor 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 Vendor for similar services.

## **14. Spare Parts**

- 14.1 Specified in SCC, the Vendor may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the Vendor:
- a) such spare parts as the Purchaser may elect to purchase from the Vendor, provided that this election shall not relieve the Vendor 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 Vendor 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 Vendor 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 Vendor, 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 Vendor in writing of any claims arising under this warranty.
- 15.4 Upon receipt of such notice, the Vendor 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 Vendor, 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 Vendor's risk and expense and without prejudice to any other rights which the Purchaser may have against the Vendor under the contract.

## **16. Payment**

- 16.1 The method and conditions of payment to be made to the Vendor under this contract shall be specified in SCC.
- 16.2 The Vendor 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 Vendor.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

## **17. Prices**

- 17.1 Prices charged by the Vendor for goods/works delivered and/or services rendered under the contract shall not vary from prices quoted by the Vendor in this bid, with an exception of any price adjustments authorized in SCC or 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 Vendor shall not assign, in whole or in part, its obligations to perform under the contract, except with the Purchaser's prior written consent.

## **20. Subcontractors**

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

## **21. Delay in Vendor's Performance**

- 21.1 Delivery of the goods/works and/or performance of services shall be made by the Vendor 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 Vendor or its subcontractor(s) should encounter conditions impeding timely delivery of the goods/works and/or performance of services, the Vendor 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 Vendor's notice, the Purchaser shall evaluate the situation and may at his discretion extend the Vendor'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 essential services executed if an emergency arises, the Vendor's point of supply is not situated at or near the place the supplies are required or the Vendor's supplies or goods are not readily available.
- 21.5 Except as provided under GCC Clause 25, a delay by the Vendor in the performance of its delivery obligations shall render the Vendor 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 Vendor'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 Vendor.

## **22. Penalties**

- 22.1 Subject to GCC Clause 25, if the Vendor fails to deliver any or all of the goods/works and/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/works and/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 Vendor, may terminate this contract in whole or in part:
- a) if the Vendor 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 Vendor fails to perform any other obligation(s) under the contract; or
- c) if the Vendor, 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 and/or services similar to those undelivered, and the Vendor shall be liable to the Purchaser for any excess costs for such similar goods/works and/or services. However, the Vendor 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 Vendor by prohibiting such Vendor 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 Vendor or any person associated with the Vendor, the Vendor 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 Vendor fail to respond within the stipulated fourteen (14) days the Purchaser may regard the intended penalty as not objected against and may impose it on the Vendor.
- 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 Vendor 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 Vendors 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 favorable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

## **25. Force Majeure**

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the vendor 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 as a result of an event of Force Majeure.

- 25.2 If a force majeure situation arises, the Vendor shall promptly notify the Purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the Purchaser in writing, the Vendor 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 on Insolvency**

- 26.1 The Purchaser may at any time terminate the contract by giving written notice to the Vendor if the Vendor becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the Vendor, 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 Vendor 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 Vendor 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 Vendor any monies due the Vendor.

## **28. Limitation of Liability**

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

a) the Vendor 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 Vendor to pay penalties and/or damages to the Purchaser; and

b) the aggregate liability of the Vendor 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 Vendor 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 Vendor 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 Vendor 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 Programme**

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

## **34. Prohibition of Restrictive Practices**

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

**This is to certify that I have read and checked this document and it is in line with National and Provincial Treasury Requirements/Regulations.**

**Prepared by:**

CHAIRPERSON OF BSC: ..... SIGNATURE: .....

DATE: .....

MANAGER SUPPLY CHAIN MANAGEMENT: *N. Hossain* .....

SIGNATURE: *[Signature]* .....

DATE: .....