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MPUMALANGA PROVINCIAL GOVERNMENT

DEPARTMENT OF PROVINCIAL TREASURY

BID NUMBER: TREA/030/26/MP

APPOINTMENT OF A MULTIDISCIPLINARY SERVICE PROVIDER TO REMEDIATE THE TRAFFIC-FINE REVENUE QUALIFICATION FOR A PERIOD OF UP TO THIRTY-SIX MONTHS

ISSUED BY:

Department of Provincial Treasury
Private Bag X11205
Mbombela
1200

CSD SUPPLIER NUMBER:MAAA.....
NAME OF BIDDER: .....
TOTAL BID PRICE (all inclusive) :.....
(Also in words): .....
.....

PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF PROVINCIAL TREASURY					
BID NUMBER:	TREA/030/26/MP	CLOSING DATE:	07 DECEMBER 2026	CLOSING TIME:	12H00
DESCRIPTION	APPOINTMENT OF A MULTIDISCIPLINARY SERVICE PROVIDER TO REMEDIATE THE TRAFFIC-FINE REVENUE QUALIFICATION FOR A PERIOD OF UP TO THIRTY-SIX MONTHS				

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

MBOMBELA, Riverside Government Complex, Building No 9, Government Boulevard, Mbombela, 1200, **PIET RETIEF,** No. 11 Measroch Street, Piet Retief Office, **KWAMHLANGA,** KwaMhlanga Government Complex, Department of Finance, Building No. 12, Computer Centre **SECUNDA,** No 5 Van Eck Street,Secunda(opposite Sasol Value Gas Garage)Secunda,2280, **BUSHBUCKRIDGE,** The Provincial Treasury, R40 Road, Bakoena Business Complex, Bushbuckridge, **MIDDELBURG,** Department of Public Works, Cnr. Lillian Ngoyi and Dr Beyers Naudé Streets – Old TPA Building, Upper ground floor, Office numbers A20, 21 and 25, **MALELANE,** 24 Air Street, Malelane, **ELUKWATINI ,**Elukwatini Sub Regional offices, Office numbers A49 and A50 (opposite Elukwatini Community Hall) Stand number 12 Extension A, Elukwatini 1192. **SIYABUSWA** Old Parliament Building, Building No.1, Job Skhosana Street, Siyabuswa 0472

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO		TECHNICAL ENQUIRIES MAY BE DIRECTED TO:	
CONTACT PERSON	Mr.TD Mdhluli	CONTACT PERSON	Mr. H Silaule
TELEPHONE NUMBER	013 766 4354	TELEPHONE NUMBER	013 766 4292
FACSIMILE NUMBER		FACSIMILE NUMBER	
E-MAIL ADDRESS	tmdhluli@mpg.gov.za	E-MAIL ADDRESS	hsilaule@mpg.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

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	☐Yes ☐No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?	☐Yes ☐No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]

QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	☐ YES ☐ NO
DOES THE ENTITY HAVE A BRANCH IN THE RSA?	☐ YES ☐ NO
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	☐ YES ☐ NO
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	☐ YES ☐ NO
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	☐ YES ☐ NO

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

PART B
TERMS AND CONDITIONS FOR BIDDING

1.	**BID SUBMISSION:**
1.1.	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2.	**ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**
1.3.	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4.	**THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**
2.	**TAX COMPLIANCE REQUIREMENTS**
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
2.4	BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6	WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7	NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

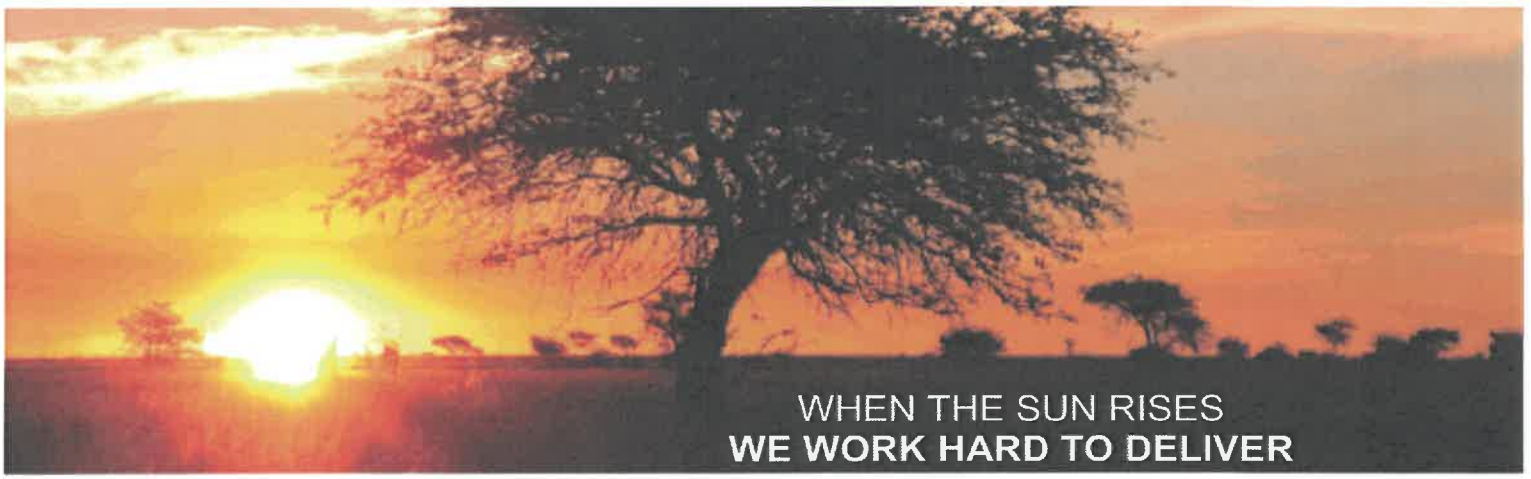
NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

SIGNATURE OF BIDDER: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED: .....
(Proof of authority must be submitted e.g. company resolution)

DATE: .....

provincial treasury
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



MPUMALANGA
THE PLACE OF THE RISING SUN

APPOINTMENT OF A MULTIDISCIPLINARY SERVICE PROVIDER TO REMEDIATE THE TRAFFIC-FINE REVENUE QUALIFICATION FOR A PERIOD OF UP TO THIRTY-SIX MONTHS

SECTION A: GENERAL SPECIFICATIONS/INFORMATION

1. PURPOSE

Appointment of a multidisciplinary service provider to assist Mpumalanga Provincial Treasury and the Department of Community Safety, Security and Liaison in remediating the traffic-fine revenue qualification and establishing sustainable end-to-end controls over a fixed thirty-six (36) month contract period.

2. BACKGROUND

The qualifications remain unresolved because the Department cannot provide a complete and auditable record of traffic fines from offence issuance to final accounting in the AFS.

Key audit issues include unsupported write-offs, inaccurate fine values, untraceable paid fines, unreconciled historical records, and incomplete migration to Traffiphix. The primary cause is the lack of monthly fine reconciliations across operational, legal enforcement, banking, system and accounting records. The intervention should cleanse and validate the historical population, prevent new exceptions, and embed sustainable Department-led controls.

Main problem

- The Department cannot fully prove that the traffic fine revenue amount is complete, correct and legally enforceable.
- Traffic fine records do not always agree across source records, courts, banks, Traffiphix, BAS and the annual financial statements.
- The legal status of many fines is not clear or is not supported by complete evidence.
- Impairment and write-off amounts are not supported by a complete and reliable fine-level population.
- System access, backups, changes, interfaces, and recovery controls have not always been fully tested and recorded.
- The same problems return because controls are not performed and reviewed every month.

3. OBJECTIVES OF THE SERVICE

- Construct one complete and reliable fine population using existing records, reconcile it to physical documentation and files, and identify and quantify all gaps, omissions and inconsistencies.
- Determine legal enforceability and accounting treatment for the complete population.
- Complete and validate controlled migration to Traffiphix with zero critical unexplained variance.
- Reconcile offences, system, receipts, BAS, bank, impairment, write-off and AFS records monthly.
- Correct prior-period errors and produce year-end disclosures.
- Introduce effective controls to prevent future recurrence.

4. SCOPE OF WORK

4.1 Diagnostic of the accounting process

Confirm the audit findings and legal requirements. Map the full process of a fine from issue to payment or closure. Confirm the complete fine population, accounting methodology, legal collection rules, impairment method and write-off rules, and review the related accounting and write-off procedures required to support the audit finding.

4.2 Population reconstruction

Rebuild and cleanse the full history of every fine from 2022/23. Confirm that the opening balance for 2022/23 is correct and supported before rebuilding subsequent financial years. This must cover the notice or camera event, posting, court or adjudication result, payment, cancellation, impairment and write-off. Match the number and value of fines across old data, Traffiphix, court records, bank receipts, collection agents, the subledger, BAS and the annual financial statements. Use data analysis to identify and resolve exceptions and prior-period differences.

4.3 Legal enforceability

Check the required evidence and legal time limits for every fine. Separate fines that are enforceable, not enforceable, expired, disputed or incomplete. Obtain written legal guidance and keep proof for every decision.

4.4 Systems and migration

Secure and assess all old data and confirm data accuracy. Support controlled migration and data correction within approved existing systems and have the results checked independently. Test required fields, number sequence checks, posting and court-status exception reports, audit trails and role-based access. The assignment does not include development of a new system.

4.5 Revenue recovery, impairment and write-off

Group the debt into useful categories and apply collection actions. Record all steps taken before a write-off. Develop impairment assumptions and test them against actual collections. Prepare a full file for every proposed write-off and reconcile the results.

4.6 Monthly financial control

Put monthly reconciliations in place from the source records to the sub-ledger and BAS. Allocate bank receipts, prepare age analysis and resolve exceptions. Prepare quarterly financial information and the required revenue reporting support.

4.7 Governance assurance and audit support

Provide governance, assurance and audit-support tools linked to the action plan. Complete all reconciliations, supporting documents and audit-ready AFS figures by the end of Month 4. Compile indexed working papers from source evidence and support responses to audit questions.

4.8 Skills transfer and close-out

Train Revenue, Law Enforcement, ICT, Legal and Finance officials on the processes and tools used, including Excel and data-analysis skills where applicable. Track skills-transfer progress and test competency. Provide all models and documents in editable format and complete handover reports before exit.

5. Implementation phases and minimum deliverables

Phase	Timing	Minimum outputs	Acceptance criteria
Mobilisation	Weeks 1-2	Validated baseline, finding-to-root-cause map, risk register, evidence index and approved implementation plan.	PT approval after Department, Internal Audit and relevant process owners confirm completeness.
Year 1 Diagnose, correct, stabilise and report (first four months)	Months 1-4	100% population reconstruction and reconciliation; supported prior-period corrections; complete supporting schedules and audit-evidence files; audit-ready 2026/27 AFS figures. Initial SOPs, tools and training baseline.	All records and balances reconciled to source records and AFS; no unexplained differences; supporting documents indexed and reviewed. Complete by the end of Month 4. Reporting target: April 2027.
Year 1: Implement, institutionalize and monitor	Months 5-12	Maintain reconciliations and audit-ready information; implement and test controls; audit follow-up; coaching; monitor skills transfer and address recurring exceptions.	100 percent of due actions independently checked; no repeat arising from failure to perform an agreed control.
Years 2 and 3 Sustain, transfer and exit	Months 13-36	Department-led operation; ongoing audit support; competency assessments; sustainability reviews; maintain audit-evidence files; transfer tools, data and knowledge; complete handover.	Controls operate without service-provider substitution for six months; all data and editable tools transferred and accepted.

6. SERVICE PROVIDER GOVERNANCE

Service provider: delivers the required remediation evidence, analysis, tools, technical support, skills transfer and handover without assuming management authority.

7. COSTING AFFORDABILITY AND VALUE FOR MONEY

The bidder must cost data extraction, approved migration support, licences where specifically required for the assignment, legal review, recovery support, assurance, training and skills transfer, separating once-off and recurring costs.

8. SECTION B- EVALUATION PROCESS AND CRITERIA

The Department shall evaluate bids in accordance with the Preferential Procurement Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000), and the Preferential Procurement Regulations 2022, as well as all applicable National Treasury Instructions and Provincial Supply Chain Management policies.

9. BID EVALUATION METHODS

9.1. Evaluation Approach

Bids will be evaluated in three phases as outlined below:

9.1.1. Phase 1 Evaluation of Compulsory Returnable Documents

- All bids will first be assessed for compliance with the mandatory submission requirements and returnable documents listed in the bid data sheet.

- Bidders who meet the compulsory requirements will be evaluated further on functionality, followed by the application of the 80/20 or 90/10 preference point system for price and specific goals.

9.1.2. Phase 2 – Functionality Evaluation

- Bids shall first be evaluated based on functionality, which will determine the bidder's technical capability, capacity, and ability to deliver the required services in accordance with the specifications.
- The functionality evaluation shall be scored out of 100 points.
- Only bidders who achieve the minimum qualifying score of 70 points (as specified in the bid data sheet) shall proceed to the next phase of evaluation.
- Bidders that fail to meet the minimum functionality threshold will be regarded as non-responsive and will not be considered for further evaluation.

9.1.3 Phase 3 – Preference Point System (Price and Specific Goals)

- Responsive bids that meet the functionality requirements will be evaluated in accordance with the 80/20 or 90/10 preference point system as prescribed in the Preferential Procurement Regulations, 2022:
- 80/90 points shall be allocated for price; and
- 20/10 points shall be allocated for specific goals, in alignment with the Provincial Treasury's approved preferential procurement objectives (e.g., promotion of women, youth, and persons with disabilities, and support for local and historically disadvantaged enterprises).
- The lowest acceptable tender will be used as the basis for determining price points.

10. VERIFICATION OF BIDDER INFORMATION

In accordance with National Treasury directives, all bidders are required to be registered on the Central Supplier Database (CSD) prior to submission of the bid. The Department will utilize the CSD to verify the following information:

- Company registration details
- Directorship, shareholding, trusteeship, and membership information
- Bank account verification
- Employment status of directors and shareholders in the public service
- Tax compliance status
- Identity information of directors and members
- The CSD report shall serve as an official source for validation of bidder information, and discrepancies identified may result in disqualification.

11. SUBMISSION OF RETURNABLE DOCUMENTS

Bidders must complete and submit all compulsory and supporting returnable documents in the prescribed templates.

11.1. For the bidder's convenience, a checklist template shall be provided. Bidders must indicate clearly with "YES," "NO," or "N/A" whether each compulsory returnable document is attached. Failure to complete or attach all required documentation may result in disqualification.

This section lists the compulsory, supporting and technical or financial returnable documents required under the PFMA, Preferential Procurement Policy Framework Act, Treasury Regulations and applicable procurement requirements. The documents verify bidder eligibility, governance, financial capacity and technical capability.

12. Compulsory Returnable Documents

Section	Compulsory Returnable Schedule	Attached YES/NO/N/A
a.	The bid document must be securely bound or filed.	
b.	Invitation to Bid (SBD 1) must be fully completed.	
d.	Fully completed and signed SBD 4 (Bidder disclosure).	
e.	Fully completed and signed SBD 6.1 (preference points claim form in terms of the Preferential Procurement Regulations 2022).	

f.	A valid Pin Letter from SARS. Failure to submit a Valid Pin Letter your bid proposal will be considered as being non-responsive, be invalidated or disqualified.	
g.	Copies of CIPRO/ CIPC Company registration documents	
h.	A copy of an agreement and a resolution by each party if the bidders are in a joint venture/consortium/partnership. If the bidder is not in a joint venture/consortium/partnership, this section (h) is not compulsory.	
i.	Certified copies of identity documents/valid passports and work permits of all the directors of the company. The date on the certified copies must not be older than three (3) months as at the closing date of the bid.	
j.	Certified copies of accreditation from professional bodies that are credible in Bookkeeping, Accounting or Auditing from credible institutions must be attached to the proposal and other competences that might be required.	
k	A copy of Central Supplier Database **{CSD)** printout report.	
l	Pricing schedule	

All returnable documents listed above must be submitted in accordance with the bid instructions and verified for validity, completeness, and authenticity. Missing or incomplete compulsory documents will lead to automatic disqualification.

N.B.: BIDDERS WHO FAIL TO ATTACH ANY OF THE COMPULSORY DOCUMENTS AS LISTED ABOVE WILL BE DISQUALIFIED:

13. EVALUATION CRITERIA

The second phase will evaluate functionality according to the criteria listed in the table below:

No.	Criteria	Evaluation requirement	Evidence required	Detailed scoring with weighted points	Weight
1	Understanding and Root Cause Analysis. **PRESENTATION**	Demonstrate understanding of the traffic-fine audit finding, fine lifecycle, affected records/systems, accounting/legal treatment, root causes, and control weaknesses.	Department-specific root-cause map showing processes, systems, records, control weaknesses, responsible functions, and audit evidence required.	0 = 0 points: Not submitted/non-responsive. 1 = 3 points: Generic understanding with major gaps. 2 = 6 points: Basic understanding with material gaps. 3 = 9 points: Adequately addresses the key requirements. 4 = 12 points: Detailed and Department-specific, with clear linkages. 5 = 15 points: Comprehensive end-to-end analysis with complete root-cause and audit-evidence mapping.	15
2	First Four Months and 36-Month Delivery Plan. **PRESENTATION**	Demonstrate how the identified fine population will be fully reconciled and made audit-ready by Month 4, with sustainable Department-led processes implemented through Month 36.	36-month plan showing activities, milestones, resources, deadlines, risks, dependencies, quality controls, skills transfer and handover.	0 = 0 points: No plan submitted. 1 = 3 points: High-level/inadequate plan with no credible Month 4 pathway. 2 = 6 points: Plan submitted but with material gaps in milestones/resources. 3 = 9 points: Complete and achievable plan addressing required milestones. 4 = 12 points: Detailed plan with measurable outputs, resources, risks and controls. 5 = 15 points: Comprehensive plan demonstrating Month 4 audit readiness and sustainable Department-led processes and handover by Month 36.	15

APPOINTMENT OF A MULTIDISCIPLINARY SERVICE PROVIDER TO REMEDIATE THE TRAFFIC-FINE REVENUE QUALIFICATION FOR A PERIOD OF UP TO THIRTY-SIX MONTHS

No.	Criteria	Evaluation requirement	Evidence required	Detailed scoring with weighted points	Weight
3	Technical Methodology	Demonstrate how fines will be reconstructed, validated, reconciled, classified, migrated, and supported for AFS/audit purposes.	Process maps, data sources, reconciliation approach, full-population testing, classification rules, exception handling, migration controls, QA and sample templates.	0 = 0 points: No methodology submitted. 1 = 3 points: Generic methodology. 2 = 6 points: Relevant methodology but with material gaps. 3 = 9 points: Adequately addresses the key technical requirements. 4 = 12 points: Detailed methodology with strong controls and QA. 5 = 15 points: Comprehensive end-to-end methodology covering reconstruction/reconciliation, legal/accounting treatment, exceptions, migration, QA and audit support.	15
4	Company Experience and Track Record	Demonstrate the bidding entity's successful experience in comparable revenue, reconciliation, financial reconstruction, traffic-fine or audit-remediation assignments.	Appointment letters and purchase orders are supported by completion certificates or verifiable client reference letters confirming scope and successful completion. **NB: BIDDERS SHOULD NOTE THAT SUPPORTING DOCUMENTS WILL BE VERIFIED TO CONFIRM VALIDITY.**	0 = 0 points: No verifiable comparable assignments. 1 = 5 points: 1 completed comparable assignment. 2 = 10 points: 2 completed comparable assignments. 3 = 15 points: 3 completed comparable assignments. 4 = 20 points: 4 completed comparable assignments. 5 = 25 points: 5 or more completed comparable assignments.	30

No.	Criteria	Evaluation requirement	Evidence required	Detailed scoring with weighted points	Weight
5	Key Team Qualifications and Relevant Experience	Demonstrate appropriate qualifications and relevant experience of the Data Analyst, CA(SA)/Accountant and Project Manager.	Qualifications, signed CVs, professional registration where applicable, roles, project dates and relevant duties/experience.	0 = 0 points: Required qualifications/experience not demonstrated. 1 = 2 points: More than 0 but less than 1 year of relevant experience. 2 = 4 points: 1 to less than 5 years. 3 = 6 points: 5 to less than 8 years. 4 = 8 points: 8 to less than 10 years. 5 = 10 points: 10 years or more relevant experience. Apply to each required role and calculate the combined team score.	15
6	Data Security, POPIA and Transfer **PRESENTATION**	Demonstrate protection of sensitive information and secure transfer/handover of Departmental data, system access, tools and knowledge.	Security/POPIA plan covering access, encryption, transfer, logging, backups, incidents, continuity, retention/destruction, handover and exit controls.	0 = 0 points: Not submitted. 1 = 2 points: Major security/POPIA gaps. 2 = 4 points: Basic controls with material gaps. 3 = 6 points: Adequately addresses the main security requirements. 4 = 8 points: Detailed and robust controls. 5 = 10 points: Comprehensive security, POPIA, business continuity, handover and exit-control framework.	10
	TOTAL				100

Bidders must achieve a minimum of 70 points overall functionality to qualify for further evaluation under the price and preference stage.

14. EVALUATION PROCESS – PHASE 3: PRICE AND SPECIFIC GOALS

Bids that fail to achieve a **minimum score of seventy (70) points out of a possible one hundred (100)** for functionality **shall not be eligible for further consideration** and will be regarded as **non-responsive**.

Either the 80/20 preference point system will apply. Under regulation 3(2)(b) of the Preferential Procurement Regulations, 2022, the lowest acceptable tender will determine the applicable system where the contract value is uncertain.

During this stage, the **80/20 preference point system** will apply as follows:

- **80 points** will be allocated for **price**; and
- **20 points** will be allocated for **specific goals** as determined by the Mpumalanga Provincial Government and in line with the Preferential Procurement Regulations, 2022.

The **lowest acceptable tender** will be used as the basis for calculating price points in accordance with the prescribed formula. Bidders are required to provide **sufficient supporting information and documentation** to enable the Bid Evaluation Committee (BEC) to accurately assess and score their submissions against all applicable criteria.

14.1 Price and Preference Point Evaluation (80/20 System)

A. Price Points Formula

The price formula is disclosed below and will be applied after the lowest acceptable tender has been established:

Ps = W x (1 - (Pt - Pmin) / Pmin)

W = 80 for a value up to R50 million, including applicable taxes:

- **Ps** = Points scored for comparative price of the bid or offer under consideration
- **Pt** = Comparative price of the bid or offer under consideration
- **Pmin** = Comparative price of the lowest acceptable bid or offer

B. Price / Financial Evaluation and Specific Goals

- Only **price or financial bids submitted in South African Rand (ZAR)** shall be considered.
- The Department reserves the right to negotiate rates and prices submitted by bidders, where appropriate and in line with applicable legislation.
- Responsive bids shall be evaluated in accordance with the **80/20 preference point system**, where:
- **80 points** are allocated for **price**; and
- **20 points** are allocated for **specific goals**, as prescribed in the **Preferential Procurement Regulations, 2022**.

- The **lowest acceptable tender** shall obtain the **maximum points for price**, while other bids with higher prices shall obtain proportionally lower points according to the formula stated above.

C. Calculation of Final Points

- The final points used to determine the ranking of bids and the preferred bidder shall be calculated as follows:

  Total points = price points + specific-goal points, rounded to two decimal places.
- **Note:** Preference claim forms are included as part of the **Standard Bidding Documents (SBD)** and must be fully completed and submitted with the bid.

D. Allocation of Specific Goal Points

A maximum of **20 points** may be awarded to a bidder for the achievement of **specific goals** identified in the tender, in accordance with the **Preferential Procurement Regulations, 2022**.

E. Award of Contract

Subject to **Section 2(1)(f)** of the **Preferential Procurement Policy Framework Act**, the contract shall be awarded to bidders that achieve the **highest total points** (price plus specific goals) and whose offer is both **acceptable** and **cost-effective** for the Department.

Description of Specific Goal	Weighting (80/20 or 90/10 System)	Points
Enterprises that are at least 51% owned by historically disadvantaged persons, including Black persons as defined in the Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003).	80/20	2 Points
Enterprises that are at least 51% women-owned.	80/20	10 Points
Enterprises that are at least 51% owned by persons with disabilities.	80/20	2 Point
Enterprises that are at least 51% youth-owned.	80/20	6 Point
Total		**20/10 Points**

Note:

- Bidders must attach certified documentary proof to substantiate ownership claims for the allocation of points.
- Failure to submit valid proof of ownership or shareholding documentation will result in the forfeiture of points under the applicable specific goal.
- Verification will be conducted in line with the BBBEE Act and the Preferential Procurement Regulations, 2022.

15. There will be a compulsory briefing at Nokuthula Building (Provincial Treasury) HO Boardroom on the 19th of November 2026 by 10h00 am.

16. SECTION C: SPECIAL CONDITIONS

These Special Conditions supplement the National Treasury General Conditions of Contract. If there is a conflict, these Special Conditions prevail, subject to applicable law and GCC clause 2.3.

16.1 Outcome-based appointment

The award establishes one fixed thirty-six (36) month programme. No advance or unverified retainer is payable. Payment is released only for accepted evidence-gated milestones. Early completion of a milestone does not permit payment for unperformed sustainability, audit-support or handover services.

16.2 Acceptance authority

The Departmental owner reviews completeness; Finance, Legal, SCM, HR, Revenue or ICT approve relevant content; Provincial Treasury quality reviews; independent assurance validates operating effectiveness. The provider may not accept its own work.

16.3 Data ownership and confidentiality

All data, working papers, rules, scripts, registers and evidence are Provincial Government property and must be editable. POPIA, access, retention and secure destruction apply.

16.4 Independence

The provider must disclose conflicts and may not make management, bid committee, disciplinary, court or accounting-authority decisions.

16.5 Change control

A change requires documented cause, population/value impact, evidence, budget and approval. Known omissions are not automatically compensable.

16.6 Underperformance

Missed milestones, data breaches, unsupported changes, repeated rejection or failed transfer trigger withholding, remedial action, service credits or lawful termination.

16.7 Contract period

The contract period is thirty-six (36) months. All reconciliations, supporting documents and audit-ready AFS figures must be completed by the end of Month 4. Thereafter, maintain controls, provide audit support, transfer skills and complete six Department-led monthly cycles and handover by Month 36.

16.8 Price adjustment

Prices are fixed for the first 12 months. Any permitted annual adjustment thereafter must be stated in the bid, objectively indexed and applied only to undelivered future services.

16.9 Rights reserved

Provincial Treasury is not bound to accept the lowest price and will consider affordability, technical acceptability, deliverability and value for money for the complete thirty-six (36) month programme.

16.10 Validity period

The bid validity period is 120 days unless lawfully extended in writing.

17. SECTION D: PRICING SCHEDULE

PRICE SCHEDULE - QUALIFICATION REMEDIATION SERVICES

Bidders must complete the full thirty-six (36) month pricing schedule and milestone breakdown. Prices must include all professional fees, management, quality review and handover costs and must clearly separate VAT, disbursements and technology.

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No	Deliverable or pricing component	Pricing unit	Price excluding VAT	VAT	Total price including VAT
1	Year 1: 100% reconciliation, corrections, supporting documents and audit-ready AFS figures by Month 4; control testing, coaching and audit support thereafter	Fixed milestone / period			
2	Year 2: maintain reconciliations, control monitoring, skills transfer, competency testing and audit support	Fixed milestone / period			
3	Year 3: sustainability review, audit support, six Department-led control cycles and final handover	Fixed milestone / period			
4	Disbursements and travel maximum ceiling	Maximum ceiling			
5	Technology licences and data extraction once-off	Once-off			
6	Recurring technology and support cost during the 36-month contract	Monthly / annual			
7	Optional rates for approved additional specialist work	Rate card			
8	TOTAL FIXED 36-MONTH CONTRACT PRICE	Total			

18. SECTION C- SPECIAL CONDITIONS

The Special Conditions of **Contract** are supplementary to the General Conditions of Contract. Where these conditions conflict, the Special Conditions take precedence, subject to applicable law (GCC clause 2.3). The Department reserves the right to disqualify any bidder **who**:

a. engages in any collusive tendering, anti-competitive conduct, or any other similar conduct, including but not limited to any collusion with any other bidder in respect of the subject matter of this bid.

b. seeks any assistance, other than assistance officially provided by a government entity, from any employee, advisor or other representative of a government entity in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided by the Department;

c. makes or offers any gift, gratuity, anything of value or other inducement, whether lawful or unlawful, to any of the Department officials, directors, employees, advisors or other representatives.

d. accepts anything of value or an inducement that would or may provide financial gain, advantage or benefit in relation to procurement or services provided or to be provided by the Department.

e. pays or agrees to pay any person any fee, commission, percentage, brokerage fee, gift or any other consideration that is contingent upon or results from the award of any tender, contract, right or entitlement which is in any way related to procurement or the rendering of any services by the Department.

f. has in the past engaged in any matter referred to above; or has been found guilty in a court of law on charges of fraud and/or forgery.

19. MISREPRESENTATION DURING THE LIFE CYCLE OF THE CONTRACT

Misrepresentations in a bid may give rise to the termination of the contract and a claim by the Department against the contractor, its employees or agents under any obligation whatsoever. Including in respect of costs, expenses or losses incurred by the bidder(s) in the preparation of his/her response to this bid.

20. INDEMNITY

If a bidder breaches the conditions of this bid and, as a result of that breach, incurs costs or damages (including the cost of any investigation, procedural impairment, enforcement of intellectual property rights or confidentiality obligations), then the contractor shall indemnify the Department for any damages or harm and all such costs that the contractor may incur.

Equally, a bidder(s) participates in this bid process entirely at his/her own cost and related risks. The Department shall not be liable for any cost incurred or damages suffered as a result of the bidder's participation in the bidding process.

21. PRECEDENCE

This document shall prevail over any form of information that may have been provided during any briefing session (whether oral or written) unless such written information expressly amends the contents of this document.

The validity period of the bid is 120 days. Any time or date in this bid is subject to change at the discretion of the Mpumalanga Provincial Treasury. The bidder(s) accepts that if the Department extends the deadline for submission (i.e. closing date) for any reason, the terms and conditions of this bid shall apply equally to the extended period.

22. DEFAULTERS AND RESTRICTED SUPPLIERS

The bid shall not be awarded to a bidder(s) whose name or any of his/her company members, directors, partners or trustees are regarded as defaulters and/or appear on the Register of Defaulters or List of Restricted Suppliers.

23. LATE BIDS

Bids received after the closing date and time, at the address indicated in the bid documents, will not be considered and where practical, will be returned unopened to the bidder(s).

24. DURATION OF CONTRACT

The duration of the contract will be 36 months (3 years).

25. RIGHTS RESERVED

The Mpumalanga Provincial Treasury reserves the rights, as follows:

1. Reject an award of a specific category where responses are found to be unsubstantial by the evaluating panel.
2. To appoint multiple service providers subject to the assessment.
3. Reserves the right to cancel the bid.
4. Reserves the right to terminate the contract due to underperformance.
5. The bidder might be required to do additional work during their contract using the AGSA rate.
6. The onus lies with the bidder to provide adequate and verifiable information.

26. CONDITIONS OF BID

1. The Provincial Government reserves the right not to appoint.
2. Appointment does not guarantee allocation of work.
3. Service providers must meet agreed turnaround times.

27. BIDDER ACCEPTANCE OF SPECIAL CONDITIONS

I fully understand and accept the contents of the special conditions contained in this bid document and am authorised to sign and accept these conditions.

_____ _____

SIGNATURE OF BIDDER OR AUTHORISED PERSON **DATE**

TAX CLEARANCE

TCC 001

Application for a Tax Clearance Certificate

Purpose

Select the applicable option ..... Tenders ☐ Good standing ☐

If "Good standing", please state the purpose of this application

Particulars of applicant

Name/Legal name (Initials & Surname or registered name)

Trading name (if applicable)

ID/Passport no

Company/Close Corp. registered no

Income Tax ref no

PAYE ref no 7

VAT registration no 4

SDL ref no L

Customs code

UIF ref no U

Telephone no

Fax no

E-mail address

Physical address

Postal address

Particulars of representative (Public Officer/Trustee/Partner)

Surname

First names

ID/Passport no

Income Tax ref no

Telephone no

Fax no

E-mail address

Physical address

Particulars of tender (If applicable)

Tender number

Estimated Tender amount R ,

Expected duration of the tender year(s)

Particulars of the 3 largest contracts previously awarded

Date started	Date finalised	Principal	Contact person	Telephone number	Amount

Audit

Are you currently aware of any Audit investigation against you/the company? YES NO

If "YES" provide details

Appointment of representative/agent (Power of Attorney)

I the undersigned confirm that I require a Tax Clearance Certificate in respect of Tenders or Goodstanding.

I hereby authorise and instruct to apply to and receive from SARS the applicable Tax Clearance Certificate on my/our behalf.

Signature of representative/agent Date

Name of representative/ agent

Declaration

I declare that the information furnished in this application as well as any supporting documents is true and correct in every respect.

Signature of applicant/Public Officer Date

Name of applicant/ Public Officer

Notes:

1. It is a serious offence to make a false declaration.
2. Section 75 of the Income Tax Act, 1962, states: Any person who
   (a) fails or neglects to furnish, file or submit any return or document as and when required by or under this Act; or
   (b) without just cause shown by him, refuses or neglects to-
      (i) furnish, produce or make available any information, documents or things;
      (ii) reply to or answer truly and fully, any questions put to him ...

   As and when required in terms of this Act ... shall be guilty of an offence ...
3. **SARS will, under no circumstances, issue a Tax Clearance Certificate unless this form is completed in full.**
4. Your Tax Clearance Certificate will only be issued on presentation of your South African Identity Document or Passport (Foreigners only) as applicable.

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest1 in the enterprise, employed by the state? **YES/NO**

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

Full Name	**Identity Number**	**Name of State institution**

2.2 Do you, or any person connected with the bidder, have a relationship

---

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

with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....
.....

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

2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATION

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

3.1 I have read and I understand the contents of this disclosure;

3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;

3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium2 will not be construed as collusive bidding.

3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.

3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring

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

institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

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

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....	.....
Signature	Date
.....	.....
Position	Name of bidder

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

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

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

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1. GENERAL CONDITIONS

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

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

1.2 **To be completed by the organ of state**

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

b) 80/20 preference point system will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

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

(a) Price; and

(b) Specific Goals.

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

The maximum points for this tender are allocated as follows:

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

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

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

1.7 Bidders who wish to claim points in terms of table 4.2 below need to provide proof for each point claimed as guided below:

- Enterprises that are at least 51% that have historically disadvantaged persons such as Black persons (as defined by BBBEE Act)– **attach certified copy of identity document (ID) and company registration document / CSD report to show/ substantiate percentage ownership equity.**

- Enterprises that are at least 51% women-owned - **attach certified copy of identity document (ID) and company registration document / CSD report to show/ substantiate percentage ownership equity.**

- Enterprises that are at least 51% owned by disabled persons – **attach doctor's letter confirming the disability**

- Enterprises with at least a 51% ownership by Youth - **attach certified copy of identity document (ID) and company registration document / CSD report to show/ substantiate percentage ownership equity.**

2. DEFINITIONS

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

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

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

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

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

80/20 **or** **90/10**

$$Ps = 80\left(1 - \frac{Pt - P\,min}{P\,min}\right) \text{ or } \qquad Ps = 90\left(1 - \frac{Pt - P\,min}{P\,min}\right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

3.2.1. POINTS AWARDED FOR PRICE

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

80/20 **or** **90/10**

$$Ps = 80\left(1 + \frac{Pt - P\,max}{P\,max}\right) \text{ or } \qquad Ps = 90\left(1 + \frac{Pt - P\,max}{Pmax}\right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmax = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

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

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

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

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

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

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system)	Percentage ownership equity (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
I. Enterprises that are at least 51% that have historically disadvantaged persons such as Black persons (as defined by BBBEE Act)	2 Points		
II. Enterprises that are at least 51% women-owned	10 Points		
III. Enterprises that are at least 51% owned by disabled persons	2 Point		
IV. Enterprises with at least a 51% ownership by Youth	6 Point		

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

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

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

i) The information furnished is true and correct;

ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

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

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

(a) disqualify the person from the tendering process;

(b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;

(c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

(d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and

(e) forward the matter for criminal prosecution, if deemed necessary.

.....

SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME: .....

DATE: .....

ADDRESS: .....

.....

.....

.....

THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT:

GENERAL CONDITIONS OF CONTRACT

July 2010

GOVERNMENT PROCUREMENT

GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

(i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and

(ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

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

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

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

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General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:

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

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

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

1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.

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

1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.

1.7 "Day" means calendar day.

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

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

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

1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

1.14 "GCC" means the General Conditions of Contract.

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

1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.

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

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

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

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

1.21 "Purchaser" means the organization purchasing the goods.

1.22 "Republic" means the Republic of South Africa.

1.23 "SCC" means the Special Conditions of Contract.

1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such

obligations of the supplier covered under the contract.

1.25 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

2. Application

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

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

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

3. General

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

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

4. Standards

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

5. Use of contract documents and information; inspection.

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

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

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

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

6. Patent rights

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

7. Performance 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 fulfillment of other obligations stipulated in the contract.

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

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

17. Prices

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

18. Contract amendments

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

19. Assignment

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

20. Subcontracts

20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this 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 canceling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

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

23. Termination for default

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

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

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

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

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

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

23.4 If a purchaser intends imposing a restriction on a supplier or any

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

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

23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:

(i) the name and address of the supplier and / or person restricted by the purchaser;
(ii) the date of commencement of the restriction
(iii) the period of restriction; and
(iv) the reasons for the restriction.

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

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

24. Anti-dumping and countervailing duties and rights

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

may be due to him

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 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.