



human settlements

Department:
Human Settlements
North West Provincial Government
REPUBLIC OF SOUTH AFRICA



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Terms of Reference for

UNBLOCKING OF BLOCKED PROJECTS IN MATLOSANA LOCAL MUNICIPALITY

BID NUMBER: DHS 18 - 2019/20

Closing Date and Time: 17 April 2020 @ 11H00

**Tender Box: 1st Floor West Wing, University Drive,
Garona Building, Mmabatho.**

**Validly period: 90 days commencing from bid closing
date**

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SCM AND SPECIFICATIONS

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1.0 PURPOSE

The North West Department of Human Settlements branch seeks to secure the services of competent Turnkey Developers for unblocking of 272 (211 new sites and 61 demolitions) Housing units and foundation and structural demolitions at various townships in Matlosana Local Municipality according to Departmental Norms & Standard.

The department of Local Government and Housing used to give municipality opportunity to implement housing projects. Department paid money/tranches to municipalities where money was used and not accounted for. Many projects were implemented without any supervision/monitoring. Payments were approved without being verified. Over and above some units were paid and they did not exist. Beneficiaries were in stressed condition where they did not have any shelter but monies paid to contractors. The situation made our housing projects blocked and abundant. Municipalities could not account to money paid to contractors which some contractors were over paid. From 2009 nine to date the department is struggling to implement due to funds paid against the name of beneficiaries. In some cases projects were implemented without planning studies been finalised or concluded. Many projects got blocked as a result of poor planning

The appointment will be based on the Departmental Procurement Process which is transparent, competitive, fair and equitable and in line with the General Conditions of Contract (GCC) and the attached bid forms as well as other conditions which may be applicable.



2.0 SPECIFIC REQUIREMENTS

The Developer must be registered with the NHBRC. The appointed developer is expected to home enrol the project with NHBRC prior to the construction of units.

The Units to be built must comply with the vision of the Department of Human Settlements, in terms of settlement sustainability and compliance with BNG Principles and housing Code and also the following minimum specifications must be adhered to:

The projects are planned for the 2019/20 financial year and the Developers are supposed to provide delivery schedule and cash-flow projection on the attached Delivery Schedule and Cash-Flow Template provided.

LOCAL PRODUCTION AND CONTENT

Preferential Procurement Regulation, 2017 regulation 8.(2) a condition that only locally produced goods or locally manufactured goods, should meet the minimum threshold for local production and content, will be considered.

- Steel Products and Components for Construction 100%
- Electrical and Telecom Cables 90%

As per the regulation 8.(5) a tenderer that fails to meet the minimum threshold for local production and content is an unacceptable tender and will be disqualified for further evaluation.

The awarded bidder will subcontract 30% of the project to designated groups within the area of works.

The bidders have to comply with the requirements of Local content to proceed to the next stage of evaluation. In order to comply with this requirement a bidder must complete and return Annexure C in line with the issued SBD 6.2 by the Department. The bidder will also safeguard annexure D and E, which are the informants of annexure C in case the Department requires them in future.

- The bidder must be CSD compliant.



- Bidders that are listed on the register of the restricted bidders by National Treasury will not be awarded.
- Bidders that are employed in public service will not be considered.

2.1 GENERAL: (All the following should be included in the Notes/ Specs on all drawings title Blocks)

- All building materials to be SABS approved (stamped where applicable)
- All workmanship to be carried out in accordance with National Building Regulations (NBR), Building Standards Act (Act 103 of 1977, as amended) and the NHBRC Home Building Manual.
- In case of uncertainty National Building Regulations and the NHBRC Home Building Manual should take precedence
- All raft or unconventional foundations to be accompanied by the Engineers' Certificate and material test results.
 - The minimum floor area of the house must be 50m²
 - Foundation inspection to be done on open trench with steel reinforcement in place and when concrete is cast and cured.
 - Wall plate inspection to be done on un-plastered walls with all the brick joints visible.
 - Final inspection (100%) to be done on a complete house (Final completion)

STANDARD SPECIFICATIONS

1.1.1. DESIGN SPECIFICATIONS

R115,867.00

- **Area of unit:** the minimum floor area



of the house must be 40m²

- **Bedrooms:** The unit is to consist of two bedrooms
- **Privacy:** The unit design shall allow for privacy for the occupants, all the rooms to have lockable doors with three (3) lever lock set for exterior doors and two (2) lever lock set for interior doors.
- **Bathroom :** Bath space
- **Lounge / open plan Kitchen:** This to be allowed for as open plan type design. The kitchen space shall allow for a sink unit.
- **Access/Entrances:** The unit to have two (2) external doors with wheelchair access for disabled beneficiaries
- **Orientation of building:** Building should be orientated in accordance with SANS 204 & 10400XA

1.1.2. CONSTRUCTION

SPECIFICATIONS

1.1.2.1. FOUNDATIONS

- Foundation shall be as per the engineer's design and specifications (*a note to this effect to be on drawings*).
- Foundations shall be inspected and



certified by a registered engineer.

- On the foundation drawings it must be clearly stated which soil class the design is for (the geotechnical report used to design the foundation is required).
- Trenches must be dug out so that the foundation rests on solid ground, with the trench width and depth conforming to the Engineers drawings.

1.1.2.2. STORM WATER
MANAGEMENT

- A minimum of 900mm x75mm 15 Mpa concrete apron to be provided on all sides of the house, sloping away from the foundations. The concrete aprons to have a 10mm thick expansion joint at 3m intervals or as per engineer's design.
- The site must be shaped to cart water away from house.
- Supply and installation of 1000l water tanks and gutters.

1.1.2.3. WALLS

- External walls to be single leaf 140mm thick cement Maxi bricks (290x140x90) (Plaster and paint) or similar approved (min 7mpa) on 375micron DPC.



- Internal walls to be 140mm maxi brick on flat (or 290X90X90mm high special brick) and duly bonded (built into) to external walls every 4th course, with DPC and brick force.
- Provide 2,8mm thick brick force every 4th course, as well as every course above windows and doors or as specified by the engineer.
- Horizontal DPC in external walls shall be same level as top of concrete floor slab and 150mm above ground level.
- Horizontal DPC must be laid with mortar above and below the membrane, which extends over the full width of the wall including plaster thickness.
- Cement mortar mix for walls to be of 1:5 proportion by volume 2 bags cement (1wheelbarrow): 5 builder's wheelbarrows sand.
- Building sand should comply with SABS 1090 and be well and evenly graded from 5mm and should not contain an excess of dust or other fine material.
- Where applicable provide SABS approved waterproofing to shower walls and floor.
- Provide a 150mm wide plaster band



around the doors and windows openings.

- Opening for waste pipes in walls to be neatly core drilled and not hammered or chisel opened.

1.1.2.4. DOORS AND WINDOW FRAMES

1.1.2.4.1. Window Frames:

Clisco type steel window frames (1.2mm) or similar approved. Window frames other than Clisco to comply with SABS 727.

1.1.2.4.2. Windows Type

- D522 (size 2 000mm x 1 540mm high)
- D54 (size 1 511mm x 1 540mm high)
- C2 (size 1 022mm x 950mm high)
- E2 (size 1022mm x 654mm high)

1.1.2.4.3. External doors:

Fabricated solid
Hardwood 2 or 4 panels



Meranti or Saligna door with timber frame. Or solid hardwood, tongue and groove, braced and ledged. **NB: Provide three (3) lever lock set**

1.1.2.4.4. Internal doors:

hollow core doors to be made out of rail, stile, hinge block, semi-solid composite board/grid core paper Lock block, composite board cross banding and Hardwood face veneer.

NB: Provide two(2) lever lock set

1.1.3. PLUMBING

- Provide 1 stainless steel sink(s) with tap to kitchen area. Sink to be at least 900mm in length and securely fixed to wall with 2 brackets & silicon sealed against wall.
- VIP to be supplied & installed (where there is none in existence)



1.1.4. ROOF

- 0.50 mm Widespan Chromadeck IBR;
- 762 mm; Z200 spelter; Narrow Floom
- Centre Cranked at 17.5 degrees.
- Fastened with 12x65mm Tech Screw with washer.
- Trusses: (In accordance with SANS 10400-K table 30)
- Trusses must be fastened with bracing strap to walls.
- At least 600mm down, with at least 6 x 50mm steel nails per side.
- Truss spacing is side to side.
- Tech Screws are provided to fasten bracing strap to trusses.
- Purlin: (30mm Top Hat; .58mm Thickness)
- First row of Purlins on each side of roof must be fastened with 4 screws, 2 per side when crossing a truss.
- Gable overhang purlins must be fastened with 4 screws when crossing a truss.
- Remainder of roof, purlins must be fastened with 2 screws on each side when crossing a truss.
- Purlin spacing max 1220 mm

1.1.5. CEILING (Ceiling as per



SANS 10400XA)

- A minimum of 2,5m ceiling height.
- Provide 6.4mm thick gypsum board ceiling with 135mm thick aerolite insulation fitted on 38x38mm, SA pine brandering at 450mm C/C, painted with white 75mm standard cornice painted white fitted with Rhino bed.
- Provide a 610x610 mm standard trap door.
- All ceiling members to be painted white.

1.1.6. ELECTRICAL

***(All electrical installation by the registered Electrician/Wireman.
Installation to be as per SABS 0145
(green book)***

- All material must be of a SABS approved standard.
- One (1) electrical plug per room, 400mm high from finish floor level.
- One (1) light switch per room, 1400mm high from finish floor level.
- One (1) stove isolator, 1.200mm high from finish floor level
- A ready distribution board (DB),



1.600mm high from finish floor level.

- Install a SABS and Municipality approved pre-paid electrical meter
- Conducting to all areas surface mounted or conduiting and wiring to wall chiselled 30mm into brickwork wall make use of a mesh before plastering the wall.

NB: The position of a stove must be considered before installing a stove isolator.

Electrical points in bedrooms need to be considered with furnishing in mind.

The switch for the bathroom must be installed outside the bathroom and Regular plug sockets may not be fitted in the bathroom

1.1.7. GLAZING (*Glass to comply with SABS 0137*)

Glass area of less than 0,75m² to be 3mm thick.

- All glass more than 0,75m² to be 4mm thick.
- Glass to bathroom to be 4mm



obscured glass.

- All putty to be treated with a hardener and finished off with universal undercoat and 2 coats enamel based gloss paint to final colour and finish.

1.1.8. FINISHES

- Floors to be power-floated or have a smooth steel-trowelled finish.
- All steel window and door frames, including concealed areas of these, to be painted with 1 coat of universal undercoat (oil based) and 2 final coats of enamel paint in addition to factory painted red-oxide.
- External solid doors to be finished off with two (2) coats of external wood oil, or apply one (1) coat Sanding Sealer and two (2) coats SABS approved external polyurethane varnish.

(No SA Pine doors or doors constructed with pressed wood to be used for external doors).

- Timber trusses-all exposed parts to be treated (painted) with wood creosote.
- External walls to be plastered and painted with undercoat & 2 final coats SABS approved PVA paint with 2



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<ul style="list-style-type: none"> different paint colours as per elevations. Internal walls to be plastered and painted with undercoat & 2 final coats SABS approved PVA paint with 2 different paint colours as per elevations. The 150mm wide plaster band around the door and window openings to be painted in contrasting colour to that of the wall. Barge & fascia boards to be painted to match plaster bands. 		

MATLOSANA LM BLOCKED PROJECTS

Total Estimated cost for Kanana Ext 12 cost				
		Qty	Rate	Amount
Vacant Stands @ 43 new sites + 06 demolitions	units	49	R115 867,00	R5 677 483,00
Foundation Demolition		1	R8 500,00	R8 500,00
Foundation & Structural Demolition	No	5	R12 000,00	R60 000,00
Geotechnical Allowance @ 6,71%		49	R7 845,00	R384 405,00
Total				R6 130 388,00

Total Estimated cost for Kanana Ext 3 & 5 cost				
		Qty	Rate	Amount
Vacant Stands @ 39 new sites + 17 demolitions	units	56	R115 867,00	R6 488 552,00
Structural Demolition	No	17	R12 000,00	R204 000,00
Geotechnical Allowance @ 11,80%		56	R13 790,00	R772 240,00
Total				R7 464 792,00

Total Estimated cost for Kanana Ext 6 cost				
		Qty	Rate	Amount



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Vacant Stands @ 21 new sites + 3 demolitions	units	24	R115 867,00	R2 780 808,00
Foundation & Structural Demolition	No	3	R12 000,00	R36 000,00
Geotechnical Allowance @ 7,43%		24	R8 684,00	R208 416,00
Total				R3 025 224,00

Total Estimated cost for Kanana Ext 7 cost				
		Qty	Rate	Amount
Vacant Stands @ 11 new stands + 2 demolitions	units	13	R115 867,00	R1 506 271,00
Foundation Demolition	No	1	R8 500,00	R8 500,00
Structural Demolition	No	1	R12 000,00	R12 000,00
Total				R1 526 771,00

Total Estimated cost for Jouberton 3, 22 & Tigane 6 cost				
		Qty	Rate	Amount
Vacant Stands @ 33 new sites + 33 demolitions	units	33	R115 867,00	R7 647 222,00
Foundation demolition	No	24	R8 500,00	R204 000,00
Structural Demolition	No	9	R12 000,00	R108 000,00
Geotechnical Allowance @ 7.03%		66	R8 221,00	R542 586,00
Total				R8 501 808,00

Total Estimated cost for Kanana Extension 2 & 4 cost				
		Qty	Rate	Amount
Vacant Stands	units	64	R115 867,00	R7 415 488,00
Foundation & Structural Demolition	No	0	R12 000,00	R0,00
Geotechnical Allowance @ 7,73%		64	R9 038,00	R578 432,00
Total				R7 993 920,00
OVERALL TOTAL PROJECT VALUE				R34 642 903,00



2.2 SPECIAL CONDITION

2.13.1 Subcontracting as a condition of tender

(a). If feasible to subcontract for a contract above R30 million, an organ of the state must apply subcontracting to advance designated groups.

(b). The successful tenderer must subcontract a minimum of 30% of the value of the Contract to: an EME or QSE

(c). The successful bidder will be provided with details of pre-qualified list of EME and QSE Contractors for sub-contracting.

(d). The responsibility to sub-contract with a competent and capable sub-contractors rests with the main contractor.

(e). The successful tenderer must submit proof and progress of sub-contracting arrangement line with requirement of the implementation guide: Preferential Procurement Regulations 2017

(f). Tenders who fail to comply with these requirements would be disqualified

3.0 SCOPE OF WORK

The Turnkey Developer must ensure that the project has gone through all the following stages so that the project does not get blocked during implementation.

The developer must ensure that the project is home enrolled with NHBRC before construction commences.

3.1. FEASIBILITY ANALYSIS AND REPORTING

3.1.1 Preparation Management

The Turnkey Developer should ensure that the following preparation management processes have been attended to:

3.1.2 Establishment of relationship and stakeholder participation with the Municipality, Department of Local Government and Human Settlements, Traditional Authority and Community Structures.



3.1.3 Compile and maintain a budget

3.1.4 Professional services required at this stage will include Land Surveyor, Land Legal consultant, Town Planner, Project Manager, Engineer, Geotechnical, Facilitator and Environmental consultant

3.1.5 Obtain or ensure stakeholder support relating to the proposed development process to be followed

3.1.6 Ensure that the preparation process is adequately staged

3.1.7 Monitor professional team progress and ensure feedback to community and the Department

3.1.8 Receive products / reports from team, evaluate, get amendments if required

3.1.9 Compile feasibility report with recommendations on whether or not to proceed with feasibility stage and if so recommend budgetary requirements.

3.1.10 Ensure that other sectors become aware of the proposed housing project. Alignment and integration between the sectors can only take place if there is communication.

3.1.11 This communication can take on various forms for example the electronic media such as email and GIS systems, written and oral communication.

3.1.12 Spatial Planning in Line with IDP's

The following are the outputs expected of the developer in line with spatial planning:

- Outline the spatial planning context
- Identify linkages to and congruency with the IDP, LDO's, sub-regional plans, Housing Sector Plans and other spatial plans
- Describe existing and proposed land use
- Comment on adequacy of existing social facilities (especially schools, health, telephones, transport)
- Comment on the current level of infrastructure and top-structures



- Comment on the Municipalities water services development plan (WSDP), integrated transport plan (ITP), integrated waste management plan (IWMP), Land Development objectives.
- Comment on integration, alignment and proposed projects of other key sectors.
- Identify main development priorities and needs
- Comment on required approval process for housing development including those related to planning and environmental issues
- Recommend process for acquisition of required approvals and outline timeframes
- Socio economic and population statistical data

3.1.13 Social Facilitation

- Identify key stakeholders and ensure their involvement in the project.
- Introduce the stakeholders to the housing process, project cycle, timeframes, risks of project failure, relative roles & responsibilities
- Facilitate agreement between municipality with respect to:
 - Who is the developer and what procurement process is to be followed
 - Type of development strategy to be used
 - Planning requirements
 - Form of tenure
 - Phasing of project and logistics
- Obtain commitment from municipality and community structures to work together on the project
- Identify social risks, recommend solutions, and evaluate feasibility of project based on socio-political conditions.



3.2 Land Availability

The developer is expected to make sure that land for the development is available and the following should be checked:

- Tribal Land
- Comments on key boundaries that might affect development
- Extents of properties and property descriptions
- Pick up unregistered servitudes such as power lines and rail lines via physical survey

3.3 Bulk Services Assessment

Not applicable

3.4 Geotechnical Investigation

A desktop study, mandatory site visit, existing knowledge of the area and topographical maps should be used for:

- Identification of broad geotechnical conditions in the areas and implications for development, specifically with respect to roads, onsite sanitation, storm-water control, cut and fill, platforms, founding conditions and road construction materials
- Identify obvious restraints such as the prevalence of a high or perched water table, unstable areas, overstep areas, seepage areas, rocky outcrops, rivers and streams
- Viability of this proposed project in terms of geotechnical conditions
- Recommendations in terms of development controls.
- Make recommendations for site-specific geotechnical at construction stage. Specifically DCP testing for foundations.
- The occurrence of dolomite conditions



3.5 Environmental Impact Assessment Report

An appointed developer should locate report and advise the Department on Environmental Impact Assessment to check the following:

- The scoping report must indicate the extent to which the proposed activity or development will impact on the environment, and where appropriate deal with the following specific aspects of the environmental impact:
- The physical and landscape characteristics of the land development area and its surroundings;
- The ecological characteristics of the land development area and its surroundings;
- The current and potential land – uses of the land development area;
- Existing significant archaeological, historical and cultural sites in the land development area and its surroundings;
- The social and economic impact on communities in the land development area and its surroundings;
- The existing infrastructure and/or services in or around the land development area and surroundings;
- The existing social and community structures, services and facilities in and around the land development area;
- The levels of present and possible pollution, including noise pollution, in the future as a result of the proposed development;
- Any risks or hazards to the environment posed by the development;
- The health and safety of the public;
- The social costs of the proposed development;
- The effect of the proposed development on different groups or individuals;
- The medium and long term sustainability of the proposed development;
- What mitigating measures could be implemented to reduce negative impacts and enhance positive impacts of the aspects described in



paragraphs a) to m) and, where appropriate, to what extent alternative sites for the development were investigated;

- Comments from Department of Culture Art and Traditional Affairs and Department of Rural Environmental And Agriculture Development with respect to environmental requirements or exemptions.
- Identify any areas of particular environmental sensitivity
- Identify any areas, which are proclaimed wilderness or conservation areas and comment on the implications.
- Identify the proximity to any hazardous installations (e.g Petro Chemical Industry), which may pose a risk for human settlements
- Identify any environmental regulations or laws which may apply to the proposed Development of rural housing projects in the area and what obligations they impose on the project.
- Based on your assessment, identify whether or not there appear to be any material barriers to the proposed development from an environmental impact perspective, what the barriers are, and the viability of overcoming them.
- If further environmental assessment may be needed, how would this be decided, what would it consist of, at what indicative cost, and at what stage in the project cycle the work would need to be done relative to township establishment and / or the commencement of development.
- Highlight where possible existing structures which fall within the areas, delineated as wetlands or environmentally sensitive areas.

4 IMPLEMENTATION STAGE

For the implementation stage to commence the following should be in place:



- Top structure solutions and delivery method including:
- Detailed house designs and specifications
- Detailed foundation designs and specifications
- Social Compact
- Site specific geotechnical data and testing such as DCP and percolation testing
- Environmental management
- Site supervision
- Construction of Houses
- Site Administration
- Project Management
- Facilitation

5 REPORTING REQUIREMENTS

The service provider will be monitored on a weekly basis during the implementation of the project and a monthly progress report and expenditure report will be submitted to the Department for performance evaluation.

6 FAILURE TO COMPLETE PROJECTS ON TIME

If the developer fails to deliver as per the agreement the developer's contract will be terminated.

7 CLOSE OUT REPORTS

The Developer is required to complete and submit Project Close out Reports before retention money is released, the value of which shall be set out in the



Service Level Agreement and or Subsidy Agreement to be signed with the Department of Local Government and Human Settlements upon appointment.

8 KNOWLEDGE AND EXPERTISE

The Developer must have a traceable record of success and timeous delivery of similar assignments of projects.

The Developer must have the capacity to provide a core team that will be responsible for the day to day project management at all levels and will have to be maintained for the duration of the contract.

The core team should be in a position to demonstrate their understanding and knowledge of the housing sector with specific knowledge of the housing legislation, housing policy and housing implementation. CV's of the members of the core team should be provided.

9 EVALUATION CRITERIA

9.1 Functionality

This tender will first be evaluated on functionality according to the following criteria

WEIGHTS AND VALUES FOR THE FUNCTIONALITY CRITERIA										
1 = Poor		2 = Fair		3 = Good		4 = Very Good		5= Excellent		
NO.	DESCRIPTION OF SPECIFIC COMPETENCIES							WEIGHTS		
1.	Qualification of key project team personnel involved on the project. Please attach copies of certificates and CVs.							20		
	• Professional Engineering / Quantity Surveyor / Architect / Construction Project Management / Construction Management Registration Certificate(s) + CV(s) attached.									5
	• Professional Technician / Technologist Registration Certificate(s) + CV(s) attached.									4
	• Bachelor’s Degree in the Built Environment + CV(s) attached.									3
	• Higher and/or National Diploma in the Built Environment + CV(s) attached.									2
	• CV(s) without any attachment of qualifications mentioned above.									1
	All bidders must submit CV’s, Qualification / Registration Certificates for the proposed professional teams to be deployed on the project. In the event that they outsource the service, they must also attach the same documentation and in all cases the relevant professionals must write a letter of consent with contact details for verification that they will be working on the project.									
2.	Proven track record on previous projects experience of a similar nature and value (Physical verification of completed projects may be conducted by the department)							20		



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	• 300 and above Low Cost Housing Units	5
	• 201– 299Low Cost Housing Units	4
	• 101– 200Low Cost Housing Units	3
	• 99– 100 Low Cost Housing or any other building projects up to the amount of the specific project	2
	• 50 - 99 Low Cost Housing or any other building projects up to the amount of the specific project	1
	1. Subcontracted work will be accepted as proven track record as long as references are supplied for verification. 2. The bidder must submit all details of all projects with reference supplied for verification purposes	
3.	Detailed Work Programme And Delivery Schedule	30
4.	Approach, Methodology And Implementation Plan.	30
TOTAL POINTS FOR FUNCTIONALITY		100

For a bid to be responsive the minimum points for functionality shall be **SIXTY POINTS** (60 Points). Any bid with less than sixty points will be disqualified and no further evaluation of the bid will be done.

For purposes of comparison and in order to ensure meaningful evaluation, bidders are requested to furnish detailed information in substantiation of compliance to functionality criteria mentioned. A bidder that scores less than 60 points in respect of functionality will be disqualified.

9.2 Price and Preferential Goals

Therefore, only qualifying bids can be evaluated in terms of **80/20 preferential points system**.

PRICE (The applicable Subsidy Quantum plus additional cost items will Apply see Par. 2.0)80

BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) STATUS LEVEL: - 20

Bidders are required to submit original and valid B-BBEE Status Level Verification

Certificates or certified copies thereof together with their bids, to substantiate their B-BBEE rating claims.

(Bidders who do not submit B-BBEE status level verification certificates or are non-compliant contributors to B-BBEE do not qualify for preference points and will score zero (0) points out of 20 for B-BBEE.

Calculation of points for B-BBEE Ratings

B-BBEE Status Level of Contributor	Number of points (80/20 system)
------------------------------------	---------------------------------



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1	20
2	18
3	16
4	10
5	8
6	6
7	4
8	2
Non-compliant contributor	0

TOTAL POINTS FOR PRICE, B-BBEE STATUS LEVEL = 100

NB. A tenderer may not be awarded points for a BBBEE status level of contributor if the tender documents indicate that the tenderer intends subcontracting more than 25% of the value of the contract to any other person not qualifying for at least the points that the tenderer qualifies for, unless the unintended subcontractor is an EME that has the capacity to execute the subcontract.

10 COMPULSORY FUNCTIONALITY QUESTIONNAIRES

The following compulsory pre-evaluation and functionality information must be supplied. Failure to supply any of the following information will lead to disqualification.

10.1 Administrative Requirements

The service provider must be in possession of the following documents:

1. Proof of registration with the **Central Suppliers Database (CSD)**
2. **Detailed company profile** (Include all projects with regard to alternative building methodology as well as low cost housing projects done by the company and indicate the contact details of a reference person on the project.)
3. Certified BBBEE Certificate or Sworn BBBEE Affidavit (Valid at the time of closure of Bid)
4. Authority to sign on behalf of bidder
5. Certificate or authority for Joint Ventures (where applicable)
6. Joint venture agreement for Joint Ventures (where applicable)



4.0 DEVELOPER SELECTION CRITERIA

The purpose of this set criterion is to eliminate developers with current running contracts and those who were previously contracted to the Department but were not performing satisfactorily. The selection criteria is based on the below evaluation criteria.

5.0 EVALUATION CRITERIA

For purposes of comparison and in order to ensure meaningful evaluation, bidders are requested to furnish detailed information in substantiation of compliance to all the stages of evaluation.

STAGE1- COMPULSORY BIDDING REQUIREMENTS

Failure to comply with these requirements will lead to immediate disqualification

- The bidder must have National Home Builders Regulatory Council certificate (NHBRC) at the time of closure of bid.

STAGE2- COMPLIANCE TO LOCAL CONTENT

Failure to comply with at this stage will lead to disqualification and the company will not progress to the functionality.

- The bidder must submit a completed Annexure C in line with the SBD 6.2 issued by the department.

NB: Please note that Annexure D and E are for your calculation process but keep it safe in case the Department requires you to avail them.

STAGE 3- FUNCTIONALITY

For a bid to be responsive the minimum points for functionality shall be **SIXTY POINTS** (60 Points). Any bid with less than sixty points will be disqualified and no further evaluation of the bid will be done.

10.2 Mandatory Documents

The following must be supplied for the bid to qualify for further evaluation:



dhs
North West Department Human Settlements
Republic of South Africa

TURNKEY DEVELOPER
Terms of Reference
BID NUMBER: DH 18 /2020

1. Proof of registration with the NHBRC (Valid at the time of closure of Bid)
2. All SBD forms must be completed, signed and certified where applicable.
3. **SARS Tax Pin** (Compliance Certificate from SARS) – Tax Matters will be verified before an award is concluded.

10.3 Project and Construction Management Experience

Please complete the following table for any work carried out during the past 5 years of operation to show the companies record Project and Construction Management experience. You will have to duplicate this sheet to supply information for all the projects that your organization has been involved in. (Current and completed)

PROJECT NAME	
SCOPE OF WORK	
CLIENT	
CONTACT PERSON AND DETAILS	
VALUE OF CONTRACT	
START DATE	
COMPLETION DATE	
ATTACH COMPLETION CERTIFICATE	



dhs
North West Department Human Settlements
Republic of South Africa

TURNKEY DEVELOPER
Terms of Reference
BID NUMBER: DH 18 /2020

10.4 Track record of construction of units and experience

Please complete the following table for any construction projects related work carried out during the past 5 years of operation to show the company's record experience. You will have to duplicate this sheet to supply information for all the projects that your organization has been involved. (Current and completed)

PROJECT NAME	
SCOPE OF WORK	
CLIENT	
CONTACT PERSON AND DETAILS	
NUMBER OF UNITS COMPLETED	
VALUE OF CONTRACT	
START DATE	
COMPLETION DATE	
ATTACH COMPLETION CERTIFICATE	



10.5 Technical Team Experience

Please complete the following table for any of the Professional Team Member who will be responsible for the project stating their responsibilities. You will have to duplicate this sheet to give details of all professional team member required for the implementation of the project.

NAME OF PROFESSIONAL	
PROFESSIONAL REGISTRATIONS	
REGISTRATION NUMBER	
BRIEF DESCRIPTION OF SPECIALIZATION AREAS	
RESPONSIBILITY ON THIS PROJECT	

10.6 Detailed Implementation Plan

You are required to give a **detailed implementation plan** which will reflect that you have clearly understood the complexity of the task at hand clearly giving the **realistic time frames** for each activity and the resources allocated to ensure that each activity is achieved within the stipulated time frames.

This implementation plan will form an annexure to your contract and you will be required to implement the project according to this implementation plan



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North West Department Human Settlements
Republic of South Africa

TURNKEY DEVELOPER
Terms of Reference
BID NUMBER: DH 18 /2020

10.7 Delivery Schedule

You are required to give a detailed delivery schedule for top structure and or services installation delivery as stated in the scope of works. This delivery schedule will be linked to your cash-flow projections.

This delivery schedule will form an annexure to your contract and you will be required to deliver the project according to this delivery schedule.

10.8 Cash Flow projections

You are required to give detailed cash flow projection which is linked to the delivery schedule. This cash flow projection will form an annexure to the service level agreement and you will be required to spend according to your cash flow projections.

Recommended

Chairperson DBSC: *duly signed* Date: 09 March 2020

Recommended

Chairperson DBAC: *duly signed* Date: 09 March 2020

Approved

Accounting Officer: *duly signed* Date: 09 March 2020

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)

BID NUMBER:	CLOSING DATE:	CLOSING TIME:	
-------------	---------------	---------------	--

DESCRIPTION

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

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO

CONTACT PERSON

TELEPHONE NUMBER

FACSIMILE NUMBER

E-MAIL ADDRESS

TECHNICAL ENQUIRIES MAY BE DIRECTED TO:

CONTACT PERSON

TELEPHONE NUMBER

FACSIMILE NUMBER

E-MAIL ADDRESS

SUPPLIER INFORMATION

NAME OF BIDDER

POSTAL ADDRESS

STREET ADDRESS

TELEPHONE NUMBER

CODE

NUMBER

CELLPHONE NUMBER

FACSIMILE NUMBER

CODE

NUMBER

E-MAIL ADDRESS

VAT REGISTRATION
NUMBER

SUPPLIER
COMPLIANCE STATUS

TAX
COMPLIANCE
SYSTEM PIN:

OR

CENTRAL
SUPPLIER
DATABASE
No:

MAAA

B-BBEE STATUS
LEVEL VERIFICATION
CERTIFICATE

TICK APPLICABLE BOX]

☐ Yes

☐ No

B-BBEE STATUS LEVEL SWORN
AFFIDAVIT

[TICK APPLICABLE BOX]

☐ Yes

☐ No

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

ARE YOU THE
ACCREDITED
REPRESENTATIVE IN
SOUTH AFRICA FOR
THE GOODS
/SERVICES /WORKS
OFFERED?

☐ Yes

☐ No

[IF YES ENCLOSE PROOF]

ARE YOU A FOREIGN BASED
SUPPLIER FOR THE GOODS
/SERVICES /WORKS 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, 2017, 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:

.....

DECLARATION OF INTEREST

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

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

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

2.1 Full Name of bidder or his or her representative:

2.2 Identity Number:

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

2.4 Company Registration Number:

2.5 Tax Reference Number:

2.6 VAT Registration Number:

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

¹"State" means –

- (a) any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (b) any municipality or municipal entity;
- (c) provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

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

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

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member:
Name of state institution at which you or the person connected to the bidder is employed :
Position occupied in the state institution:

Any other particulars:
.....
.....
.....

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

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

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

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

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

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

2.8.1 If so, furnish particulars:

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

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid? YES / NO

.....

.....

.....

YES/NO

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

YES/NO

.....

.....

.....

[illegible]

4 DECLARATION

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

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT.
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF
PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION
PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of bidder

May 2011

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

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

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

1. GENERAL CONDITIONS

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

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

1.2

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

1.3 Points for this bid shall be awarded for:

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

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

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

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

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

2. DEFINITIONS

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

3. POINTS AWARDED FOR PRICE

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

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

80/20

or

90/10

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

Where

P_s = Points scored for price of bid under consideration

P_t = Price of bid under consideration

P_{\min} = Price of lowest acceptable bid

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

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

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

5. BID DECLARATION

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

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

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

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

7. SUB-CONTRACTING

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

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

7.1.1 If yes, indicate:

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

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

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

Designated Group: An EME or QSE which is at least 51% owned by:	EME ✓	QSE ✓
Black people	<input type="checkbox"/>	<input type="checkbox"/>
Black people who are youth	<input type="checkbox"/>	<input type="checkbox"/>
Black people who are women	<input type="checkbox"/>	<input type="checkbox"/>

Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
OR		
Any EME		
Any QSE		

8. DECLARATION WITH REGARD TO COMPANY/FIRM

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

8.2 VAT _____ registration
number:.....

8.3 Company _____ registration
number:.....

8.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

8.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

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

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

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

WITNESSES

1.
2.

.....
SIGNATURE(S) OF BIDDERS(S)

DATE:

ADDRESS

.....

.....

ANNEXURE TO SBD 6.2

2. The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:

CONSTRUCTION OF HOUSES

Description of services, works or goods	Items	Stipulated minimum threshold
Electrical cables	Low voltage cables	90%
Residential Electricity Meter	Prepaid Electricity Meters	70%
	SMART Meters	50%
Steel Products and Components for construction	Joining/ Connecting Components	100%
	Frames (Doors and Windows)	100%
	Roof and Cladding	100%
	Fasteners	100%
	Wire Products	100%
	Gutters, downpipes & lauders	100%
	Reinforcing Bars	100%
	Fabricated Steel (light steel trusses and columns)	100%

DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS

This Standard Bidding Document (SBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2017, the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

1. General Conditions

- 1.1. Preferential Procurement Regulations, 2017 (Regulation 8) make provision for the promotion of local production and content.
- 1.2. Regulation 8.(2) prescribes that in the case of designated sectors, organs of state must advertise such tenders with the specific bidding condition that only locally produced or manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for tenders referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

$$LC = [1 - x / y] * 100$$

Where

x is the imported content in Rand

y is the bid price in Rand excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by South African Reserve Bank (SARB) on the date of advertisement of the bid as indicated in paragraph 3.1 below.

The SABS approved technical specification number SATS 1286:2011 is accessible on [http://www.thedti.gov.za/industrial development/ip.jsp](http://www.thedti.gov.za/industrial%20development/ip.jsp) at no cost.

1.6. A bid may be disqualified if this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation;

2. The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:

<u>Description of services, works or goods</u>	<u>Stipulated minimum threshold</u>
_____	_____ %
_____	_____ %
_____	_____ %

3. Does any portion of the goods or services offered have any imported content?

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

3.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by SARB for the specific currency on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on www.resbank.co.za

Indicate the rate(s) of exchange against the appropriate currency in the table below (refer to Annex A of SATS 1286:2011):

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

4. Where, after the award of a bid, challenges are experienced in meeting the stipulated minimum threshold for local content the dti must be informed accordingly in order for the dti to verify and in consultation with the AO/AA provide directives in this regard.

LOCAL CONTENT DECLARATION
(REFER TO ANNEX B OF SATS 1286:2011)

LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)

IN RESPECT OF BID NO.

ISSUED BY: (Procurement Authority / Name of Institution):
.....

NB

- 1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.
- 2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on http://www.thedti.gov.za/industrial_development/ip.jsp. Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

I, the undersigned, (full names),
do hereby declare, in my capacity as
of (name of bidder
entity), the following:

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that:
 - (i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and
- (c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 3.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

Bid price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2011	R
Stipulated minimum threshold for local content (paragraph 3 above)	
Local content %, as calculated in terms of SATS 1286:2011	

If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above. The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 3.1 above and the information contained in Declaration D and E.

- (d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.
- (e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 14 of the Preferential Procurement Regulations, 2017 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5

of 2000).

SIGNATURE: _____

WITNESS No. 1 _____

DATE: _____

WITNESS No. 2 _____

DATE: _____

Contact Us

The Industrial Procurement Unit is a unit within the dti that is responsible for the implementation and monitoring of the local content policy.

Helpline: 012 394 1435

For complaints and assistance, Please send an email to:

Email: localcontent@thedti.gov.za

For more information, please go to web link:

http://www.thedti.gov.za/industrial_development/ip.jsp

To get in contact with the Industrial Procurement team for enquiries contact:

Dr Tebogo Makube

Phone: 012 394 3927

Email: TMakube@thedti.gov.za

Ms Cathrine Matidza

Phone: 012 394 5598

Email: CMatidza@thedti.gov.za



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

LOCAL CONTENT AND PRODUCTION

What is Designation?

The revised Preferential Procurement Policy Framework Act 2000 (PPPFA) regulations which came into effect on the 7 December 2011 empower the Department of Trade and Industry (the dti) to designate industries, sectors and sub-sectors for local production at a specified level of local content.

Preferential Procurement Regulations, 2011 States the following:

Paragraph 9. (1) Prescribes that "In the case of designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered."

Paragraph 9. (2) Prescribes that "The National Treasury will issue instructions, circulars and guidelines to all organs of state, with specific reporting mechanisms to ensure compliance with sub-regulation (1)."

Paragraph 9. (3) prescribes that "Where there is no designated sector, an organ of state may include, as a specific tendering condition, that only locally produced services, works or goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered, on condition that such prescript and threshold(s) are in accordance with the specific directives issued for this purpose by the National Treasury in consultation with the dti."

Notes

[illegible]

List of applicable documents

1. SBD/MBD 6.2 downloadable on <http://www.treasury.gov.za/divisions/ocpo/sc/default.aspx>
2. SATS 1286:2014*
3. Guidance Document for the calculation of Local Content*
4. Annex C*
5. Annex D*
6. Annex E*

http://www.thediti.gov.za/industrial_development/ip.jsp

Industry/sector/sub-sector	Minimum threshold for local content
<ul style="list-style-type: none"> Buses (Bus Body) 	80%
<ul style="list-style-type: none"> Textile, Clothing, Leather and Footwear 	100%
<ul style="list-style-type: none"> Steel Power Pylons, Monopole Pylons, Steel Substation Structures, Powerline Hardware, Street Light Steel Poles, Steel Lattice Towers 	100%
<ul style="list-style-type: none"> Canned / Processed Vegetables 	80%
Pharmaceutical Products: <ul style="list-style-type: none"> • OSD Tender • Family Planning Tender 	<ul style="list-style-type: none"> • 70% (volumes) • 50% value
<ul style="list-style-type: none"> Rail Rolling Stock 	65%
<ul style="list-style-type: none"> Set Top Boxes (STB) 	30%
Furniture Products: <ul style="list-style-type: none"> • Office Furniture • School Furniture • Base and Mattress 	<ul style="list-style-type: none"> • 85% • 100% • 90%
<ul style="list-style-type: none"> Solar Water Heater Components 	70%
<ul style="list-style-type: none"> Electrical and telecom cables 	90%
<ul style="list-style-type: none"> Valves products and actuators 	70%

[illegible]

The following industries, sectors and sub-sectors have so far been designated for local production with minimum local content thresholds.

Residential Electricity Meter :	<ul style="list-style-type: none">• Prepaid Electricity Meters• Post Paid Electricity Meters• SMART Meters	<ul style="list-style-type: none">• 70%• 70%• 50%
Working Vessels/Boats (All types):	<ul style="list-style-type: none">• Components	<ul style="list-style-type: none">• 60%• 10%- 100%
Conveyance Pipes		80% - 100%
Transformers and Shunt Reactors:	<ul style="list-style-type: none">• Class 0• Class 1• Class 2• Class 3• Class 4	<ul style="list-style-type: none">• 90%• 70%• 70%• 45%• 10%
<ul style="list-style-type: none">• Components and conversion activities		<ul style="list-style-type: none">• 50% - 100%
Solar PV Components:	<ul style="list-style-type: none">• Laminated PV Modules• Module Frame• DC Combiner Boxes• Mounting Structure• Inverter	<ul style="list-style-type: none">• 15%• 65%• 65%• 90%• 40%

The following industries, sectors and sub-sectors have so far been designated for local production with minimum local content thresholds.

Two Way Radio Terminals and Associated Equipment:	
<ul style="list-style-type: none"> • Portable Radio • Mobile Radio • Repeater 	<ul style="list-style-type: none"> • 60% • 60% • 60%
<ul style="list-style-type: none"> • Components 	<ul style="list-style-type: none"> • 20% - 100%
Rail Signalling:	
<ul style="list-style-type: none"> • Components 	<ul style="list-style-type: none"> • 65% • 40% - 100%
Wheeled Blows:	
Fire Fighting Vehicle	<ul style="list-style-type: none"> • 100% • 30%
<ul style="list-style-type: none"> • Crew Cabin • Super Structure • Assembly 	<ul style="list-style-type: none"> • 100% • 100% • 100%

NOTES

[illegible]



NOTES

SATS 1206.2011

Annex C

Local Content Declaration - Summary Schedule

Note: VAT to be excluded from all calculations

(C1) Tender No.	
(C2) Tender description:	
(C3) Designated product(s)	
(C4) Tender Authority:	
(C5) Tendering Entity name:	
(C6) Tender Exchange Rate:	Pkr _____ EU _____
(C7) Specified local content %	GSP _____

(C8) Relation of Local content						
Tender Item no's	List of Items	Tender price - each (and VAT)	Exempted imported value	Tender value net of exempted imported content	Imported value	Local value
(C9)	(C10)	(C11)	(C12)	(C13)	(C14)	(C15)

Tender summary			
Tender Qty	Total tender value	Total exempted imported content	Total Imported content
(C6)	(C7)	(C8)	(C9)

Signature of Tenderer When Banned S

Date: _____

(C20) Total tender value: _____
(C21) Total Exempt Imported contents: _____
(C22) Total Tender value net of exempt Imported contents: _____
(C23) Total Imported contents: _____
(C24) Total local contents: _____
(C25) Average local content % of tender: _____

Local Content Declaration – Summary Schedule

NOTES

[illegible]

Local Content Declaration – Supporting Schedule to Annex C

SAT 12862011

Note: VAY to be excluded from all calculations

Rendering Entity names(19) Total final products (Goods, Services and Works)

1

44

1999

1

Date: _____

Notes

Some of the questions that suppliers ask when completing SBD/MBD 6.2, Annexes C, D, and E include:

1. What is considered to be local content?

It is that portion of the product whose manufacturing processes take place within South Africa, from input materials, raw materials, and/or components that were sourced in South Africa.

- ## 2. What is local manufacturing?

The working and processing, including assembling or specific operation should happen within the borders of South Africa. There must be value addition to the required products.

3. Provide clarity on the statement "Contractors may not be allowed to sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the minimum threshold as stipulated in regulation 9 of the Preferential Procurement Regulations, 2011."

This means that contractors are to subcontract in such a way that their subcontractors also meet the stipulated minimum threshold and do not reduce it in their manufacturing processes.

4. With reference to LOCAL CONTENT DECLARATION form SBD/MBD 6.2, in particularly the table after C. Please advise whether it is correct to provide the averages of all requested items in the table.

LOCAL CONTENT DECLARATION

(AS PER ANNEX B OF SATS 1286:2011)

13. If all items have the same stipulated minimum thresholds, must they be completed for each item?

Each item must have its own local content percentage calculated as per the local content formula and each percentage must be completed for each item under C15 of Annex C as the evaluation is on an item basis.

14. Where do bidders get the stipulated minimum thresholds to complete Annex C?

The procuring entities should provide a list of all required items and their respective stipulated minimum thresholds under paragraph 3 of the SBD/MBD 6.2 document.

15. What process is followed to ensure compliance to the local content and production policy?

The SABS handles the post award verification stage to ensure compliance by suppliers and the Auditor General is to audit the 2014/15 expenditure within the designated sectors.

Bid price, excluding VAT (V)	Bidders to insert C20 value here as found on Annex C.
Imported content (x), as calculated in terms of SATS 1286:2011	Bidders to insert C19 value here as found on Annex C.
Stipulated minimum threshold for local content (paragraph 3 above)	Bidders to refer to paragraph 3 of SBD/MBD 6.2 as provided by the procuring entity.
Local content %, as calculated in terms of SATS 1286:2011	Bidders to refer to C25 as per their calculation for the average of all requested items.

Please note: Averages are to be provided in the table above if the procuring entity requested more than one item. If only one item is requested, bidders are to populate as per SBD/MBD 6.2 requirements.

5. Must Annexes D and E also be submitted at the closing date and time of the bid?

It is not compulsory or a requirement at the time of bidding but the Annexes may be requested at any point. One cannot complete Annex C before completing Annexes D and E. However, procuring entities may reserve the right to request that all Annexes be submitted at the closing date and time of bid.

6. What happens if Annex C is signed but not completed?

The local content percentages would not be declared, therefore making the bid non-responsive.

7. What is the turnaround time for authorization letters to be issued out?

Authorisation letters are issued out within 48 hours for the Textiles, Clothing, Leather and Footwear Sector, and must be attached to the bid document, where applicable, otherwise the bid will be deemed non-responsive.

8. Is an authorization letter the same as an exemption letter?

Authorisation letters are issued out in the Textile, Clothing, Leather and Footwear Sector only, and will be reflected under (C13) of Annex C.

Exemption letters may be issued out in the other designated sectors. Exempted imported value would be reflected under (C11) of Annex C.

9. What is the process followed for requesting an exemption letter/authorization letter?

The following information should be provided on the bidder's company letterhead when requesting an authorization letter:

Authorisation letter:

- Tendering Authority.
- Tender No.
- Tender Item specification and quantity.
- Closing date.
- Company Name.
- Company physical address.
- Full name of company representative.
- List of items/components for import authorization.
- Supporting letters from local sub-suppliers and manufacturers.

Forward the information to Mrs Patricia Khumalo and you may contact her on 012 394 1390, Email: KhumaloP@thedti.gov.za.

Exemption letter:

- In your request state the following information:
- Procuring entity/government department,
- Bid number,
- Closing date,
- Item(s) for which the exemption is being requested for,
- Description of the goods, services or works for which the requested exemption item will be used for (kindly attach specification for item),
- Reason for the request.

Attention to:

Dr Tebogo Makube
Chief Director: Industrial Procurement Unit
The Department of Trade and Industry
Private Bag X84, Pretoria, Gauteng, 0001
Email: TMakube@thedti.gov.za

10. How old must the supporting documents be?

Not older than 6 months, **subject to review.**

11. What is the validity period of the exemption letter and authorisation Letter?

The authorization letter and exemption letter are valid for the duration of the tender or quotation, as each letter is bid specific.

12. Who completes SBD/MBD 6.2 Annex C bidding company or sub-contractor?

It is the responsibility of the bidder to complete the Declaration Certificate for Local Production and Content SBD/MBD 6.2 together with the Annex C (Local Content Declaration: Summary Schedule), duly sign and submit at the closing date and time of this bid.

3. ANNEXURE C

3.1. Guidelines for completing Annexure C: Local Content Declaration – Summary Schedule

Note: The paragraph numbers correspond to the numbers in Annexure C.

- C1. Tender Number**
Supply the tender number that is specified on the specific tender documentation.
- C2. Tender description**
Supply the tender description that is specified on the specific tender documentation.
- C3. Designated products**
Supply the details of the products that are designated in terms of this tender (i.e. buses).
- C4. Tender Authority**
Supply the name of the tender authority.
- C5. Tendering Entity name**
Provide the tendering entity name (for example, Unibody Bus Builders (Pty) Ltd).
- C6. Tender Exchange Rate**
Provide the exchange rate used for this tender, as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.
- C7. Specified local content %**
Provide the specified minimum local content requirement for the tender (i.e. 80%), as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MDB) 6.2.
- C8. Tender item number**
Provide the tender item number(s) of the products that have a local content requirement as per the tender specification.

C9. List of items

Provide a list of the item(s) corresponding with the tender item number.
This may be a short description or a brand name.

Calculation of local content**C10. Tender price**

Provide the unit tender price of each item excluding VAT.

C11. Exempted imported content

Provide the ZAR value of the exempted imported content for each item, if applicable. These value(s) must correspond with the value(s) of column D16 on Annexure D.

C12. Tender value net of exempted imported content

Provide the net tender value of the item, if applicable, by deducting the exempted imported content (C11) from the tender price (C10).

C13. Imported value

Provide the ZAR value of the items' imported content.

C14. Local value

Provide the local value of the item by deducting the Imported value (C13) from the net tender value (C12).

C15. Local content percentage (per item)

Provide the local content percentage of the item(s) by dividing the local value (C14) by the net tender value (C12) as per the local content formula in SATS 1286.

Tender Summary**C16. Tender quantity**

Provide the tender quantity for each item number as per the tender specification.

C17. Total tender value

Provide the total tender value by multiplying the tender quantity (C16) by the tender price (C10).

C18. Total exempted imported content

Provide the total exempted imported content by multiplying the tender quantity (C16) by the exempted imported content (C11). These values must correspond with the values of column D18 on Annexure D.

C19. Total imported content

Provide the total imported content of each item by multiplying the tender quantity (C16) by the imported value (C13).

C20. Total tender value

Total tender value is the sum of the values in column C17.

C21. Total exempted imported content

Total exempted imported content is the sum of the values in column C18. This value must correspond with the value of D19 on Annexure D.

C22. Total tender value net of exempted imported content

The total tender value net of exempt imported content is the total tender value (C20) less the total exempted imported content (C21).

C23. Total imported content

Total imported content is the sum of the values in column C19. This value must correspond with the value of D53 on Annexure D.

C24. Total local content

Total local content is the total tender value net of exempted imported content (C22) less the total imported content (C23). This value must correspond with the value of E13 on Annexure E.

C25. Average local content percentage of tender

The average local content percentage of tender is calculated by dividing total local content (C24) by the total tender value net of exempted imported content (C22).

4. ANNEXURE D

4.1. Guidelines for completing Annexure D: "Imported Content Declaration – Supporting Schedule to Annexure C"

Note: The paragraph numbers correspond to the numbers in Annexure D.

- D1. Tender number**
Supply the tender number that is specified on the specific tender documentation.
- D2. Tender description**
Supply the tender description that is specified on the specific tender documentation.
- D3. Designated products**
Supply the details of the products that are designated in terms of this tender (i.e. buses).
- D4. Tender authority**
Supply the name of the tender authority.
- D5. Tendering entity name**
Provide the tendering entity name (i.e. Unibody Bus Builders (Pty) Ltd).
- D6. Tender exchange rate**
Provide the exchange rate used for this tender, as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

Table A. Exempted Imported Content

- D7. Tender item number**
Provide the tender item number(s) of the product(s) that have imported content.
- D8. Description of imported content**
Provide a list of the exempted imported product(s), if any, as specified in the tender.

- D9. Local supplier**
Provide the name of the local supplier(s) supplying the imported product(s).
- D10. Overseas supplier**
Provide the name(s) of the overseas supplier(s) supplying the exempted imported product(s).
- D11. Imported value as per commercial invoice**
Provide the foreign currency value of the exempted imported product(s) disclosed in the commercial invoice accepted by the South African Revenue Service (SARS).
- D12. Tender exchange rate**
Provide the exchange rate used for this tender as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.
- D13. Local value of imports**
Convert the value of the exempted imported content as per commercial invoice (D11) into the ZAR value by using the tender exchange rate (D12) disclosed in the tender documentation.
- D14. Freight costs to port of entry**
Provide the freight costs to the South African Port of the exempted imported item.
- D15. All locally incurred landing costs and duties**
Provide all landing costs including customs and excise duty for the exempted imported product(s) as stipulated in the SATS 1286:2011.
- D16. Total landed costs excl VAT**
Provide the total landed costs (excluding VAT) for each item imported by adding the corresponding item values in columns D13, D14 and D15. These values must be transferred to column C11 on Annexure C.
- D17. Tender quantity**
Provide the tender quantity of the exempted imported products as per the tender specification.
- D18. Exempted imported value**
Provide the imported value for each of the exempted imported product(s) by multiplying the total landed cost (excl. VAT) (D16) by the

tender quantity (D17). The values in column D18 must correspond with the values of column C18 of Annexure C.

D19. Total exempted imported value

The total exempted imported value is the sum of the values in column D18. This total must correspond with the value of C21 on Annexure C.

Table B. Imported Directly By Tenderer

D20. Tender item numbers

Provide the tender item number(s) of the product(s) that have imported content.

D21. Description of imported content:

Provide a list of the product(s) imported directly by tender as specified in the tender documentation.

D22. Unit of measure

Provide the unit of measure for the product(s) imported directly by the tenderer.

D23. Overseas supplier

Provide the name(s) of the overseas supplier(s) supplying the imported product(s).

D24. Imported value as per commercial invoice

Provide the foreign currency value of the product(s) imported directly by tenderer disclosed in the commercial invoice accepted by the South African Revenue Service (SARS).

D25. Tender rate of exchange

Provide the exchange rate used for this tender as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

D26. Local value of imports

Convert the value of the product(s) imported directly by the tenderer as per commercial invoice (D24) into the ZAR value by using the tender exchange rate (D25) disclosed in the tender documentation.

- D27. Freight costs to port of entry**
Provide the freight costs to the South African Port of the product(s) imported directly by the tenderer.
- D28. All locally incurred landing costs and duties**
Provide all landing costs including customs and excise duty for the product(s) imported directly by the tenderer as stipulated in the SATS 1286:2011.
- D29. Total landed costs excl VAT**
Provide the total landed costs (excluding VAT) for each item imported directly by the tenderer by adding the corresponding item values in columns D26, D27 and D28.
- D30. Tender quantity**
Provide the tender quantity of the product(s) imported directly by the tenderer as per the tender specification.
- D31. Total imported value**
Provide the total imported value for each of the product(s) imported directly by the tenderer by multiplying the total landed cost (excl. VAT) (D29) by the tender quantity (D30).
- D32. Total imported value by tenderer**
The total value of imports by the tenderer is the sum of the values in column D31.

Table C. Imported by Third Party and Supplied to the Tenderer

- D33. Description of imported content**
Provide a list of the product(s) imported by the third party and supplied to the tenderer as specified in the tender documentation.
- D34. Unit of measure**
Provide the unit of measure for the product(s) imported by the third party and supplied to tenderer as disclosed in the commercial invoice.
- D35. Local supplier**
Provide the name of the local supplier(s) supplying the imported product(s).

D36. Overseas supplier

Provide the name(s) of the overseas supplier(s) supplying the imported products.

D37. Imported value as per commercial invoice

Provide the foreign currency value of the product(s) imported by the third party and supplied to the tenderer disclosed in the commercial invoice accepted by SARS.

D38. Tender rate of exchange

Provide the exchange rate used for this tender as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

D39. Local value of imports

Convert the value of the product(s) imported by the third party as per commercial invoice (D37) into the ZAR value by using the tender exchange rate (D38) disclosed in the tender documentation.

D40. Freight costs to port of entry

Provide the freight costs to the South African Port of the product(s) imported by third party and supplied to the tenderer.

D41. All locally incurred landing costs and duties

Provide all landing costs including customs and excise duty for the product(s) imported by third party and supplied to the tenderer as stipulated in the SATS 1286:2011.

D42. Total landed costs excluding VAT

Provide the total landed costs (excluding VAT) for each product imported by third party and supplied to the tenderer by adding the corresponding item values in columns D39, D40 and D41.

D43. Quantity imported

Provide the quantity of each product(s) imported by third party and supplied to the tenderer for the tender.

D44. Total imported value

Provide the total imported value of the product(s) imported by third party and supplied to the tenderer by multiplying the total landed cost (D42) by the quantity imported (D43).

D45. Total imported value by third party

The total imported value from the third party is the sum of the values in column D44.

Table D. Other Foreign Currency Payments**D46. Type of payment**

Provide the type of foreign currency payment. (i.e. royalty payment for use of patent, annual licence fee, etc).

D47. Local supplier making the payment

Provide the name of the local supplier making the payment.

D48. Overseas beneficiary

Provide the name of the overseas beneficiary.

D49. Foreign currency value paid

Provide the value of the listed payment(s) in their foreign currency.

D50. Tender rate of exchange

Provide the exchange rate used for this tender as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

D51. Local value of payments

Provide the local value of each payment by multiplying the foreign currency value paid (D49) by the tender rate of exchange (D50).

D52. Total of foreign currency payments declared by tenderer and/or third party

The total of foreign currency payments declared by tenderer and/or a third party is the sum of the values in column D51.

D53. Total of imported content and foreign currency payment

The total imported content and foreign currency payment is the sum of the values in column D32, D45 and D52. This value must correspond with the value of C23 on Annexure C.

5. ANNEXURE E

5.1. Guidelines to completing Annexure E: "Local Content Declaration-Supporting Schedule to Annexure C"

The paragraph numbers correspond to the numbers in Annexure E

E1. Tender number

Supply the tender number that is specified on the specific tender documentation.

E2. Tender description

Supply the tender description that is specified on the specific tender documentation.

E3. Designated products

Supply the details of the products that are designated in terms of this tender (for example, buses/canned vegetables).

E4. Tender authority

Supply the name of the tender authority.

E5. Tendering entity name

Provide the tendering entity name (for example, Unibody Bus Builders (Pty) Ltd) Ltd).

Local Goods, Services and Works

E6. Description of items purchased

Provide a description of the items purchased locally in the space provided.

E7. Local supplier

Provide the name of the local supplier that corresponds to the item listed in column E6.

E8. Value

Provide the total value of the item purchased in column E6.

E9. Total local products (Goods, Services and Works)

Total local products (goods, services and works) is the sum of the values in E8.

E10. Manpower costs:

Provide the total of all the labour costs accruing only to the tenderer (i.e. not the suppliers to tenderer).

E11. Factory overheads:

Provide the total of all the factory overheads including rental, depreciation and amortisation for local and imported capital goods, utility costs and consumables. (Consumables are goods used by individuals and businesses that must be replaced regularly because they wear out or are used up. Consumables can also be defined as the components of an end product that are used up or permanently altered in the process of manufacturing, such as basic chemicals.)

E12. Administration overheads and mark-up:

Provide the total of all the administration overheads, including marketing, insurance, financing, interest and mark-up costs.

E13. Total local content:

The total local content is the sum of the values of E9, E10, E11 and E12. This total must correspond with C24 of Annexure C.

OUTCOMES OF THE WORKSHOP:

- ✦ By the end of this workshop you should have a clear understanding of the designation policy and the local content requirements in the public procurement environment.
- ✦ You should be able to incorporate the local content requirements as part of the tender/bid.
- ✦ You need to work out the examples provided in the manual to know how to calculate LC.
- ✦ You should be able to assist bidders to complete the SBD/MBD 6.2 and the annexes for local content declaration.
- ✦ You should be able to verify local content claims by bidders during the evaluation process.

Note: VAT to be excluded from all calculations

(E1)	Tender No.
(E2)	Tender description:
(E3)	Designated products:
(E4)	Tender Authority:
(E5)	Tendering Entity name:

[illegible]

(E9) Total local products (Goods, Services and Works)

(E10) **Manpower costs** (Tenderer's manpower cost)

(E11) **Factory overheads** (Rental, depreciation & amortisation, utility costs, consumables etc.)

(E12) Administration overheads and mark-up (Marketing, insurance, financing, interest etc.)

(E13) Total local content

This total must correspond with Annex C - C24

Signature of tenderer from Annex B

Date: _____

Note: VAT to be excluded from all calculations

(D1)	Tender No.	
(D2)	Tender description:	
(D3)	Designated Products:	
(D4)	Tender Authority:	
(D5)	Tendering Entity name:	
(D6)	Tender Exchange Rate:	Pula

FLI	R 9.00	GBP	R 12.00
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A. Exempted imported content

Tender Exchange Rate:		Pula		Calculation of imported content						Summary	
A. Exempted imported content				Foreign currency value as per Commercial Invoice	Tender Exchange Rate	Local value of imports	Freight costs to port of entry	All locally incurred landing costs & duties	Total landed cost excl VAT	Tender Qty	Exempted imported value
Tender Item no's	Description of Imported content	Local supplier	Overseas Supplier	(D11)	(D12)	(D13)	(D14)	(D15)	(D16)	(D17)	(D18)
(D7)	(D8)	(D9)	(D10)								
(D19) Total exempt imported value											

This total must correspond with
Annex C - C 21

B. Imported directly by the Tenderer

B. Imported directly by the Tenderer				Calculation of imported content						Summary	
Tender item no's	Description of Imported content	Unit of measure	Overseas Supplier	Foreign currency value as per Commercial Invoice <i>(D24)</i>	Tender Rate of Exchange <i>(D25)</i>	Local value of Imports <i>(D26)</i>	Freight costs to port of entry <i>(D27)</i>	All locally incurred landing costs & duties <i>(D28)</i>	Total landed cost excl VAT <i>(D29)</i>	Tender Qty <i>(D30)</i>	Total Imported value <i>(D31)</i>
<i>(D20)</i>	<i>(D21)</i>	<i>(D22)</i>	<i>(D23)</i>								
									<i>(D32) Total Imported value by tenderer</i>		

C. Imported by a 3rd party and supplied to the Tenderer	
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C. Imported by a 3rd party and supplied to the Tenderer				Calculation of imported content						Summary	
Description of imported content	Unit of measure	Local supplier	Overseas Supplier	Foreign currency value as per Commercial Invoice	Tender Rate of Exchange	Local value of Imports	Freight costs to port of entry	All locally incurred landing costs & duties	Total landed cost excl VAT	Quantity imported	Total imported value
(D33)	(D34)	(D35)	(D36)	(D37)	(D38)	(D39)	(D40)	(D41)	(D42)	(D43)	(D44)
									(D45) Total imported value by 3rd party		

D. Other foreign currency payments

			D. Other foreign currency payments		Calculation of foreign currency payments	Summary of payments
Type of payment	Local supplier making the payment	Overseas beneficiary	Foreign currency value paid	Tender Rate of Exchange		Local value of payments (D51)
(D46)	(D47)	(D48)	(D49)	(D50)		
(M52) Total of foreign currency payments declared by tenderer and/or 3rd party						

(D52) Total of foreign currency payments declared by tenderer and/or 3rd party

(D53) Total of imported content & foreign currency payments - (D32), (D45) & (D52) above

This total must correspond with
Annex C - C23

Signature of tenderer from Annex B

Date:

Local Content Declaration - Summary Schedule

(C1)
(C2)
(C3)
(C4)
(C5)
(C6)
(C7)

[illegible]

GBP

[illegible]

Signature of tenderer from Annex B

Date:

(C21) Total Exempt imported content	
(C22) Total Tender value net of exempt imported content	
(C23) Total imported content	
(C24) Total local content	
(C25) Average local content % of tender	



Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

the dti

Copyright



2012

Thank You

The dti Contacts (Local Content Office)-

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- ✓ Ms. Miyelani Masinga, (012) 394 1664, Email : MMasinga@thedti.gov.za
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- ✓ Ms Girily Mahlambi (012) 394 1394, Email : GMahlambi@thedti.gov.za

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

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

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied). The Database of Restricted Suppliers now resides on the National Treasury's website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		

4.4	Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		

SBD 8

CERTIFICATION

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

Js365bW

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Standard Bidding Document (SBD) must form part of all bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
 - a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
 - b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
- 4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

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

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Institution)

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

I certify, on behalf of: _____ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

³ Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

Js914w 2

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.

TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
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17. Prices
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22. Penalties
23. Termination for default
24. Dumping and countervailing duties
25. Force Majeure
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27. Settlement of disputes
28. Limitation of liability
29. Governing language
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34. Prohibition of restrictive practices

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 Programme (NIP)	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.

Js General Conditions of Contract (revised July 2010)