



the gpaa

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Department:  
Government Pensions Administration Agency  
**REPUBLIC OF SOUTH AFRICA**

# **RFP FOR PRINTING SERVICES FOR A PERIOD OF THREE YEARS**

## • Terms of Reference

### INVITATION

Printing companies with relevant skills and experience are invited to submit applications to the Government Pensions Administration Agency (GPAA), for the printing of its member letters, publications and marketing material such as posters, pamphlets and T-shirts for a period of three (3) years.

The GPAA is the product of the separation of Government Employees Pension Fund (GEPF) from its administration component. The GPAA is a government component established in terms of Section 7A (4) of the Public Service Act (1994) with effect from 1 April 2010 and its mandate is to administer pensions on behalf of GEPF and National Treasury.

### SCOPE OF WORK

**The appointed printing company has to meet the following pre-qualification criteria:**

- Proven experience in handling a large volume of printing.
- Proven ability and track record in planning, production and insertion of printed material into envelopes, sorting these according to postal codes, bundling them into manageable chunks and delivering to the Post Office.

#### Distribution of GPAA publications

- Manage GPAA publication and distribution list by ensuring that all stakeholders receive publications on time.
  - Manage delivery sheets as proof of delivery, with a detailed report of the delivery sheets being filed with the GPAA.
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- Post all copies of the material within a week of printing.
- Manage a comprehensive distribution list with periodic updates of the list. The current distribution list will be provided and included in the proposal as part of the postage costs which the service provider will cover.

#### Marketing Collateral and Stationery

The appointed printing company will also be required to print posters, pamphlets, tax certificates, desk calendars, notepads, business cards, complimentary slips, annual reports, organisation's divisional reports, and other organisational documents and reports.

#### Artwork and Proofs

- The GPAA will create artwork and provide print-ready files in a required format to the printing company.
- The printing company must provide the GPAA with proofs for sign off prior to commencement of actual printing.

#### Production schedule

The printing company must present a production schedule with timelines for each job.

#### Status meetings

The printing company's account manager must schedule regular meetings with the GPAA for status feedback.

### Description of the required services (Bill of Quantities)

The contract is for three (3) years and your budget should indicate the proposed expenditure over the contract period, including possible increases in material, production costs, labour, etc.

**These are only estimated numbers and quantities may increase or decrease.**

### **MAILROOM FUNCTION**

Printing and distribution of GEPF material that includes the following:

- **GEPF Pensioner Newsletter (FundNews)** A4 roll fold to DL size): Print copies of the newsletters, laser print members' names and postal addresses on envelopes, insert newsletters into envelopes, sort, seal, bundle and **deliver to the Post Office 4 times per year**
  
- **GEPF Pensioner Payment Remittances:** 4 times per year. GPAA will provide the template and data to populate template.
  
- **GEPF Active Member Newsletter (FundTalk)** A4 roll fold to DL): Print copies of the newsletters, laser print members' names and postal addresses on envelopes, insert newsletters into envelopes, sort, seal, bundle and deliver to the Post Office 4 times per year
  
- **Tax Certificates** Printed in 8 different batches for Monthlies, Estates, Funeral benefits and Gratuities: Laser print members' names and postal addresses on envelopes, insert tax certificates into envelopes, sort, seal, bundle and deliver to the Post Office annually.  
**Printed in 8 different batches**

1. Funeral Benefits – IT3(a)'s
  2. Funeral Benefits – IRP5's
  3. Gratuities – IT3(a)'s
  4. Gratuities – IRP5's
  5. Annuities IT3(a)'s
  6. Annuities IRP5's
  7. Estates IT3 (a)'s
  8. Estates - IRP5's
- **Annual Pension Increase letters for pensioners:** Convert pension numbers, translate pension numbers, laser print pensioners' names and postal addresses on envelopes, insert letters into envelopes, sort, seal, bundle and deliver to the Post Office annually.
  - **A Frequently Asked Questions (FAQ)** document will be enclosed with the pension increase letter in each envelope.
  - **Calendars for pensioners:** Enclose the calendars with the 3rd quarter newsletter at the end of the year, sort, seal, bundle and deliver to the Post Office annually.
  - **Pensioner cards and letters:** Print and insert pensioner cards and letters in envelopes and sort, seal, bundle and deliver to the Post Office weekly
    - Each pensioner card is enclosed with a letter
    - Each pensioner card is personalised

- **Benefit Statement:** Convert member numbers, translate member numbers, laser print members' names and postal addresses on envelopes, insert statements into envelopes, sort, seal, bundle and **deliver to the Post Office annually**.
  - FAQ document and a personalised letter to be enclosed in the same envelope together with the benefit statement.
- **Member Guides for members:** Insert member guides in branded polythene plastic, sort, seal, bundle and deliver to Post Office at the beginning of the year, for one year.
- **Member Guides for pensioners:** Insert member guides in branded polythene plastic, sort, seal, bundle and deliver to Post Office at beginning of the year, for one year.

**Please note:**

- **The printing company will be required to do address validation and issuing of Postal Address Management Services Suppliers certificates.**
- **Printing of address details directly to DL maximum non-window envelopes including bar codes for the return mail monitoring by the GPAA on all of the above.**
- **In case of a normal letter a DL maximum window envelope will be utilised including bar codes for the return mail monitoring by the GPAA.**
- **The GPAA will provide a database of addresses for mailing.**
- **The appointed printing company is required to observe confidentiality in terms of the members' personal details.**
- **Quantities on this specification document are subject to change. Quantities might be increased or decreased per requirements.**

- Evaluation Criteria**

<b>Item No.</b>	<b>Evaluation Criteria Item : 90/10 Principle</b>	<b>Weight</b>
<b>A</b>	<b>Price (PHASE 2)</b>	<b>90</b>
<b>B</b>	B-BBEE credential level	<b>10</b>
<i>With the individual points made up as follows:</i>		
<b>C</b>	<b>Functionality(PHASE 1)</b>	

**Relevant Skills and Experience and Industry Exposure:**

<p>1. Submit a maximum of 5 pages indicating the following:</p> <ul style="list-style-type: none"><li>• An overview of your company ownership and management portfolio;</li><li>• Duration of operations;</li><li>• Summarise the key differentiating factors,</li><li>• A value proposition in terms of addressing the GPAA's requirements and why you are the best suited partner for GPAA to deliver its printing needs.</li><li>• Attach a minimum of three latest reference letters from your largest contactable and reputable clients with similar required scope of work and related projects i.e. planning, sorting, printing and mailing.</li></ul>	<p>20</p>
<p>2. List of your top and/or largest clients during the last five years indicating size, industry type, scope of work, contract rand value and duration of the contract.</p>	<p>10</p>
<p>3. Describe in detail your proposed approach, methodology and resources, and how these will assist the GPAA in meeting its printing needs as per the scope of work.</p>	<p>20</p>
<p>4. Proven experience in conducting bulk mailing services. please provide the following details:</p> <ul style="list-style-type: none"><li>• Type of machines</li><li>• CVs of key team members</li><li>• Outsourced services</li><li>• Insourced services</li></ul>	<p>10</p>
<p>5. SMME development</p> <ul style="list-style-type: none"><li>• Demonstrate how you will transfer skills to 100% black owned SMMEs as part of supporting the transformation goals of government.</li><li>• List the companies that the skills will be transferred to.</li><li>• Indicate the percentage work-share that will be allocated to the said SMMEs.</li><li>• Provide rand value.</li><li>• Attach signed contracts with the said SMMEs.</li></ul>	<p>10</p>



	<b>Minimum 60% qualifications on functionality</b>	
	<b>Sub-total</b>	<b>70</b>
	<b>Total</b>	<b>100</b>

## • Proposal submission format and evaluation criteria

You are required to submit fully completed tender documents with technical responses in the following format:

Number	Evaluation criteria	Description																														
1	<b>Company Profile Weighting – 20%</b>	<p>Submit a maximum of 5 pages indicating the following:</p> <ul style="list-style-type: none"> <li>• An overview of your company ownership and management portfolio;</li> <li>• Duration of operations;</li> <li>• A summary of the key differentiating factors,</li> <li>• A value proposition in terms of addressing the GPAA’s requirements and why you are the best suited partner for GPAA to deliver its printing needs.</li> <li>• A minimum of three latest reference letters from your largest contactable and reputable clients with similar required scope of work and related projects i.e. planning, sorting, printing and mailing.</li> </ul>																														
2	<b>Credentials Weighting – 10%</b>	<p>List of your top and/or largest clients during the last five years indicating size, industry type, scope of work, contract rand value and duration of the contract. Please reproduce the table below to provide information:</p> <table border="1"> <thead> <tr> <th>Client</th> <th>Size</th> <th>Industry type</th> <th>Scope of work</th> <th>Rand value of the contract</th> <th>Duration of the contract</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Client	Size	Industry type	Scope of work	Rand value of the contract	Duration of the contract																								
Client	Size	Industry type	Scope of work	Rand value of the contract	Duration of the contract																											
3	<b>Approach and methodology Weighting – 20%</b>	<ul style="list-style-type: none"> <li>• Demonstrate your understanding of the requirements and expectations of the GPAA as outlined in the scope of work / specifications.</li> <li>• Describe in detail your proposed approach, methodology and resources, and how these will assist the GPAA in meeting its printing needs as per the scope of work.</li> </ul> <p>The 20% weighting for this section will be broken down as follows:</p> <ul style="list-style-type: none"> <li>• High level printing capability – 5%</li> <li>• Project management approach– 5%</li> <li>• Quality check and quality assurance approach – 5%</li> </ul>																														

		<ul style="list-style-type: none"> <li>Account management approach – 5%</li> </ul>
<b>4</b>	<b>Capability Weighting – 10%</b>	<ul style="list-style-type: none"> <li>List type of machines that will be utilised to meet the GPAA printing needs</li> <li>Provide summarised CVs for the key members of the team that will be managing the GPAA account, indicating their relevant qualifications and skills</li> <li>List of services on the scope of work that will be contracted out (if any) and indicate details of companies to be contracted List of services on the scope of work that will be performed in-house</li> <li>Describe the rationale for outsourcing</li> </ul>
<b>5</b>	<b>SMME development Weighting – 10%</b>	<ul style="list-style-type: none"> <li>Demonstrate how you will transfer skills to 100% black owned SMMEs as part of supporting the transforming goals of government</li> <li>List the companies that the skills will be transferred to</li> <li>Indicate the percentage work-share that will be allocated to the said SMMEs</li> <li>Provide rand value Attach signed contracts with the said SMMEs</li> </ul>

## SCOPE OF WORK

ITEM NO	QUANTITY				DESCRIPTION				Unit and total cost over the 3-year period
					No. of pages	Size	Texture	Colour	
Description	Quantity	Number of times printing is required annually	Contract period	Total quantity at the end of the contract					
Fund News (quarterly Newsletter for pensioners)	400 000	4	3 years	4.8million copies	6	A3 fold to A4; 2 sided on 115gsm	Gloss soft copy	Full colour	R
Envelopes for Fund News	400 000	4	3 years	4.8million envelopes		115 x 230mm, full gum 80gsm bond envelopes	Flexo printed, Opaque non window 80gsm	Black & White	R
Fund News Xmas	400000	1	3 years	1.2 million	6	A3 fold to A4; 2	Gloss soft copy	Full colour	R

edition with the calendar				copies		sided on 115gsm			
Tent Calendar with the Fund News Xmas edition	400000	1	3 years	1.2 million calendars		A5 size with no leaves		Full colour	R
Fund News Xmas edition (with calendar) envelope	400000	1	3 years	1.2 million envelopes		A5 envelope, full gum 80gsm bond envelope	Flexo printed, Opaque non window 80gsm	Black & White	R
Fund Talk (quarterly Newsletter for active members)	1.2m	4	3 years	14.4 million copies	6	A3 fold to A4; 2 sided on 115gsm	Gloss soft copy	Full colour	R
Envelopes for Fund Talk	1.2m	4	3 years	14.4million envelopes		115 x 230mm, full gum 80gsm bond envelopes	Flexo printed, opaque and non window	Black & white	R
Personalised pension increase letters to Pensioners (per annum)	400 000	1	3 years	1.2million letters	1	A4 fold to DL	Printed on 90gsm cartridge	Full colour	R
Pensioner payment remittances	400 000	4 times per year		1.6million remittances		A4 x 3 pages	colour		R
Envelopes for pension increase letters	400 000	1	3 years	1.2million letters		115 x 230mm, full gum 80gsm bond envelopes	Flexo printed, opaque and non window	Black & white	R
Personalised pension increase letters to GEPF 130 000 pensioners eligible for SASSA grant, enclosed with the GEPF pension increase letters	130 000	1	3 years	390 000 letters	1	A4 fold to DL	Printed on 90gsm cartridge	Full colour	R
Frequently Asked Questions (FAQ) sheet enclosed with pension increase letter	400 000	1	3 years	1.2million FAQ sheets	2	A4 size printed back to back on 115gsm. 4 pages ( 2 pages printed double sided – back to back)	Gloss soft copy	Full colour	R

Benefit Statement for Active members (per annum)	1.2m	1	3 years	3.6million benefit statements	1	A4 fold to DL	Printed on 90gsm cartridge Printed double sided - back to back	Full colour	R
A letter ( generic) to accompany the benefit statements	1.2m	1	3 years	3.6million letters	1	A4 fold to DL	Printed on 90gsm cartridge	Full colour	R
Frequently Asked Questions (FAQ) sheet enclosed with the benefit statement	1.2m	1	3 years	3.6million FAQ sheets	4	A4 size printed back to back on 115gsm. 4 pages ( 2 pages printed double sided – back to back)	Gloss soft copy	Full colour	R
Envelopes for benefit statements	1.2m	1	3 years	2.4million envelopes		115 x 230mm, full gum 80gsm bond envelopes	Flexo printed, opaque with a window	Black & white	R
Member Guides (per annum)	1.5m	2	3 years	9million member guides	67pages plus 4 pages cover	A5 size printed back to back	Cover on 250gsm Hansol Hi-Q matt white in 4 colours; matt machine varnished throughout; text on 128gsm Hansol Hi-Q matt white in 4 colours and machine varnished throughout; saddle stitched. Spot UV varnish on the front and back cover.	Full colour	R
Branded polythene plastic for mailing member guides to Active members	1.2m	1	2 years	2.4million polythene plastics		A5 size printed polythene self seal mailing envelope	Branded polythene self seal mailing envelope	Full colour	R
Branded polythene plastic for mailing	400000	1	2 years	800 000 polythene		A5 size printed polythene self	Branded polythene self seal mailing	Full colour	R

member guides to Pensioners				plastics		seal mailing envelope	envelope		
Tax Certificates	500 000	1	3 years	1,5million certificates	1	A4 size printed double sided	80gsm paper	Full colour	R
Envelopes for tax certificates	500 000	1	3 years	1.5m envelopes		115 x 230, full gum 80gsm bond envelopes	Flexo printed, opaque and with window	Black & white	R
Personalised pensioner cards per request and for new pensioners	1 000 Plus additional 130 000	Weekly  Yearly spread of 12 months	3 years	550 000 cards	1	85 x 55	Laminated PVC cards printed full colours with magnetic strip/ micro chip and signature panel. Cards to be personalised with matching code / ID # / Pensioner #	Full colour, front & back	R
Personalised letters enclosed with pensioner cards (per request and for new pensioners)	1 000 Plus additional 130 000	Weekly  Yearly spread over 12 months	3 years	550 000 letters	1	A4 fold to DL	Printed on 80gsm bond paper.  Personalised letters. Laser print. Match code / variable content	Full colour	R
Envelopes for membership cards and letters	1 000 Plus additional 130 000	Weekly  Yearly spread of 12 months	3 years	550 000 letters		Maxi DL size - 115 x 230, full gum 80gsm bond envelopes	Flexo printed, opaque and standard window	Full colour	R
Personalised correspondence letters to GEPP members	1.2m	2	3 years	7.2million letters	1	A4 fold to DL	Printed on 90gsm cartridge	Full colour	R

Envelopes for correspondence letters to GEPF	1.2m	2	3 years	7.2million letters		115 x 230, full gum 80gsm bond envelopes	Flexo printed, opaque and non window	Black & white	R
Personalised letters to Programme 1 members	50 000	Weekly	3 years	8million letters	1	A4 fold to DL	Printed on 80gsm bond paper.  Personalised letters. Laser print. Match code / variable content	Full colour	R
Envelopes for correspondence letters to Programme 1 members	25 000	1 (weekly)	3 years	4 million envelopes		115 x 230, full gum 80gsm bond envelopes	Flexo printed, opaque and non window	Black & white	R
Business cards	100 per official	Monthly	3 years			90 x 55 (350gsm Magno Matt. Trimmed to size)		Full colour	R
Posters(National Roadshow)	2000	6 per annum	3 years	36 000 posters	1	A3	135gsm HI-Q Titan plus (Gloss) White.trimmed to size. Different artwork per event	Full colour	R
Posters ( Ad Hoc – various projects)	200	Weekly (per province)	3 years	286 200 posters		A1 Poster (840 x 594)	135gsm HI-Q Titan plus (Gloss) White.trimmed to size. 3 different artwork per roadshow.	Full colour	R
Flyers ( National Roadshow)	30 000	6	3 years	540 000 flyers	1	A5 printed on both side. 210 x148 (3 different artwork)	113gsm HI-Q titan plus (Gloss) white.trimmed to size	Full colour	R
Flyers (Ad Hoc)	1000	Weekly ( 4 areas per province)	3 years	636 000 flyers		A5 printed on both side. 210mm x148mm (4 different artwork)	113gsm HI-Q titan plus (Gloss) white.trimmed to size	Full colour	R
RMC leaflets	5000	Monthly (	3 years	1.6m		A4 (210 x 90)	180gsm. Triple	Full	R

		per language)		leaflets		folded into Tri-fold. 3 panels ( 9 different languages	green (Gloss) white.trimmed to size	colour	
Product leaflets	5000	Monthly ( per 4 products)	3 years	720 000 leaflets		A4 (210 x 90) folded into Tri-fold. 3 panels ( 4 different artwork)	180gsm. Triple green (Gloss) white.trimmed to size	Full colour	R
6 panel pocket card (z-card)	1m	1	3 years	720 000 z-cards	6 panels	6 panels. 150 x 300. Cover: 108 x 78. Insert: 297 x 560	Cover: 350gsm Invercoat Creato. Gloss Insert: 85gsm Triple green silk white.trimmed to size	Full colour	R
Annual Report	500	1	3 years	1 500 copies	120	A4 landscape and portrait ( alternate)	Triple green matt 250gsm. Cover triple green Matt 250gsm. Text-triple green matt.150gsm.cover spot UV vanish the pictures in the cover pages both front and back. Perfect bound. * 100 CDs in jewel cases	Full colour	R
Big Notepads ( GEPF)	10 000	1	3 years	30 000 notepads	20	A4 size, 1 spot colour. 1 side Feint margins and addresses at the bottom of each page	80gsm White bond. Backing board 350gsm Malgray chipboard	Full colour	R
Big Folders (GEPF)	10 000	1	3 years	30 000 folders		403 x 462	Mongani double coated matt white 300gsm	Full colour	R
Small Notepads (GEPF)	10 000	1	3 years	30 000 notepads	20	A5 size, 1 spot colour. 1 side Feint margins and	80gsm White bond. Backing board 350gsm Malgray	Full colour	R



						addresses at the bottom of each page	chipboard		
Small Folders (GEPF)	10 000	1	3 years	30 000 folders		A3	Mongani double coated matt white 300gsm	Full colour	R
Small Notepads (GPAA)	5000	1	3 years	15 000 notepads	20	A5 size, 1 spot colour. 1 side Feint margins and addresses at the bottom of each page	80gsm White bond. Backing board 350gsm Malgray chipboard	Full colour	R
Big Folders (GPAA)	5000	1	3 years	15 000 folders	20	A3	Mongani double coated matt white 300gsm	Full colour	R
Comment sheets	130 (10 per regional office)	20 offices	3 years	7 800 copies	100	A3 (297 x 470) landscape	120gsm Camelot cartridge. Finish, trimmed to size and 3holes drilled on the left hand side	Full colour	R
Desk –pad Calendars	1 500	1	3 years	4 500 calendars	14 sheets	A2	Pages padded at foot , 600 micron backing board, with PVC corners at head. 14 leaves printed in full colour, one-sided only on 100gsm Dukuza matt	Full Colour	R
Tent calendars	1 500	1	1 year	1 500 calendars	14 leaves	155 x 280	Each page to be laminated on 135gsm gloss art. Printing mounted onto board. Silver wiro binding	Full Colour	R
Diaries	1 500	1	3 years	4 500 diaries	+ 384	255x210 Executive A4 inspirational diary	Cover: Hardcover with padded cover	Full Colour	R

						( CUSTOM MADE)			
GEPF paper bags	5000	1	3yrs	15 000 paper bags		297x120	4 process colours front only on Mongani(Gloss, 170/m2, white. Gloss laminate one side only.Convert to a bay with 2 handles	Full Colour	R
GPAA paper bags	5000	1	1 year	5000 paper bags		297x120	4 process colours front only on Mongani(Gloss, 170/m2, white. Gloss laminate one side only.Convert to a bay with 2 handles	Full Colour	R
GPAA T-shirts	2 000	1	2 years	4 000 T- shirts		Crimmage 200gsm	Crew neck cotton T-shirt. Printing 2 positions (back & front)	Black with full colour printing	R
Employee report	1200	1	3 years	3 600 copies	44 inclu ding cover	A4 ( 297 X 210) portrait	Inside pages paper: Enigma polar white 130g/UV varnish. Cover: Enigma polar white 250g. Finish: matt vanish only on the covers. Saddle stitched. Plastic packaging for each report	Full Colour	R
Lentswe Magazine	1200	4	3 years	14 400 copies	50	A4 magazine. 297x210	Cover: Power art gloss, 130g/m2 white. Pages: 115gsm	Full Colour	R

Various organisational reports	12	1	3 years	36 copies	50	A4 (297x210)	170gsm triple matt white. Paper: cover -250gsm triple green matt white. Finishing : cover spot gloss UV varnish one sided, creased, fold, collate and saddle stitched	Full Colour	R
Annual Performance Plan (APP) and Strategy plan document, packaged together in a folder	250 APP 250 Strategy plan	1	3 years	750 APP copies  750 Strategy plan copies	80 pages for APP 70 pages for Strategy plan	A4 (297x210) portrait	Cover: 250gsm and 130gsm for inside pages. *Both documents perfect bound and packaged together in a folder.  *Folder: 300gsm. White. Hi-Q Titan Plus (matt) Spot UV varnish on the front cover. Print, die cut, glue and insert the APP and Strategy plan	Full Colour	R
<b>GRANT TOTAL FOR THREE YEARS(VAT INCLUSIVE)</b>							<b>R</b>		

**INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF GOVERNMENT PENSIONS  
ADMINISTRATION AGENCY (GPAA)

BID NUMBER: **GPAA 41/2015**

CLOSING DATE: **12 January 2016**

CLOSING TIME: **11h00am**

DESCRIPTION: **RENDERING PRINTING SERVICES FOR A PERIOD OF THREE (3) YEARS.**

THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT

BID DOCUMENTS MUST BE DEPOSITED IN THE BID BOX SITUATED AT GPAA, ADDRESSED TO:

**The Chief Executive Officer  
Government Pensions Administration Agency (GPAA)**  
34 Hamilton Street  
Arcadia  
PRETORIA,0001

Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration. The bid box is generally open eight hours a day between 08:00 and 16:30, Mondays to Fridays.

ALL BIDS MUST BE SUBMITTED WITH THE STANDARD FORMS – NOT TO BE RE-TYPED.

THIS BID IS SUBJECT TO THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.

THE FOLLOWING PARTICULARS MUST BE FURNISHED (FAILURE TO DO SO MAY RESULT IN THE BID BEING DISQUALIFIED): ALL STANADARD BIDDING DOCUMENTS AS ATTACHED.

NAME OF BIDDER:.....

POSTAL ADDRESS:.....

STREET ADDRESS:.....

TELEPHONE NUMBER CODE:.....NUMBER:.....

CELLPHONE NUMBER:.....

FACSIMILE NUMBER CODE: ..... NUMBER:.....

VAT REGISTRATION NUMBER: .....

HAS A TAX CLEARANCE CERTIFICATE BEEN SUBMITTED (SBD2)? YES/NO

SIGNATURE OF BIDDER:.....

DATE:.....

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

## TAX CLEARANCE CERTIFICATE REQUIREMENTS

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

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

**DECLARATION OF INTEREST**

1. Any legal person, including persons employed by the state<sup>1</sup>, 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, shareholder<sup>2</sup>):.....

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 / personal numbers must be indicated in paragraph 3 below.

- <sup>1</sup>“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.

<sup>2</sup>“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**

2.9.1 If so, furnish particulars.

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

2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid? **YES/NO**

2.10.1 If so, furnish particulars.

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

2.11 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract? **YES/NO**

2.11.1 If so, furnish particulars:

.....

.....  
.....

**3. Full details of directors / trustees / members / shareholders.**

<b>Full Name</b>	<b>Identity Number</b>	<b>Personal Tax Reference Number</b>	<b>State Employee Number / Persal Number</b>

**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 C THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of bidder



**PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS  
2011**

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, 2011**

**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 R1 000 000 (all applicable taxes included); and  
The 90/10 system for requirements with a Rand value above R1 000 000 (all applicable taxes included).

1.2 The value of this bid is estimated to exceed/not exceed R1 000 000 (all applicable taxes included) and therefore the.....**90/10**.....system shall be applicable.

1.3 Preference points for this bid shall be awarded for:

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

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

	<b>POINTS</b>
<b>1.3.1.1 PRICE</b>	<b>90</b>
<b>1.3.1.2 B-BBEE STATUS LEVEL OF CONTRIBUTION</b>	<b>10</b>
<b>Total points for Price and B-BBEE must not exceed</b>	<b>100</b>

1.4 Failure on the part of a bidder to fill in and/or to sign this form and submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS) or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or an Accounting Officer as contemplated in the Close Corporation Act (CCA) together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

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

**2. DEFINITIONS**

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

2.2 “**B-BBEE**” means broad-based black economic empowerment as defined in section 1 of the Broad -Based Black Economic Empowerment Act;

- 2.3 **“B-BBEE status level of contributor”** means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 2.4 **“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 services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
- 2.5 **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- 2.6 **“Comparative price”** means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration;
- 2.7 **“Consortium or joint venture”** 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;
- 2.8 **“Contract”** means the agreement that results from the acceptance of a bid by an organ of state;
- 2.9 **“EME”** means any enterprise with an annual total revenue of R5 million or less .
- 2.10 **“Firm price”** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 2.11 **“Functionality”** means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;
- 2.12 **“Non-firm prices”** means all prices other than “firm” prices;
- 2.13 **“Person”** includes a juristic person;
- 2.14 **“Rand value”** means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;
- 2.15 **“Sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
- 2.16 **“Total revenue”** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 9 February 2007;
- 2.17 **“Trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- 2.18 **“Trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

### 3. ADJUDICATION USING A POINT SYSTEM

- 3.1 The bidder obtaining the highest number of total points will be awarded the contract.
- 3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts;.

- 3.3 Points scored must be rounded off to the nearest 2 decimal places.
- 3.4 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 3.5 However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality.
- 3.6 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

**4. POINTS AWARDED FOR PRICE**

**4.1 The 80/20 or 90/10 Preference Point Systems**

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

**90/10**

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

Where

- P<sub>s</sub> = Points scored for comparative price of bid under consideration
- P<sub>t</sub> = Comparative price of bid under consideration
- P<sub>min</sub> = Comparative price of lowest acceptable bid

**5. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTION**

- 5.1 In terms of Regulation 5 (2) and 6 (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>B-BBEE Status Level of Contributor</b>	<b>Number of points (90/10 system)</b>	<b>Number of points (80/20 system)</b>
1	10	20
2	9	18
3	8	16
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

- 5.2 Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates.
- 5.3 Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- 5.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 5.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- 5.6 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- 5.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.
- 5.8 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

**6. BID DECLARATION**

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

**7. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.3.1.2 AND 5.1**

- 7.1 B-BBEE Status Level of Contribution ..... = ..... (Maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or an Accounting Officer as contemplated in the CCA).

**8 SUB-CONTRACTING**

- 8.1 Will any portion of the contract be sub-contracted? YES / NO (delete which is not applicable)
- 8.1.1 If yes, indicate:
  - (i) what percentage of the contract will be subcontracted?.....%
  - (ii) the name of the sub-contractor?.....
  - (iii) the B-BBEE status level of the sub-contractor?.....
  - (iv) whether the sub-contractor is an EME? YES / NO (delete which is not applicable)

**9 DECLARATION WITH REGARD TO COMPANY/FIRM**

- 9.1 Name of company/firm ..... :
- 9.2 VAT registration number :.....

9.3 Company registration number .....

:

9.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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

9.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

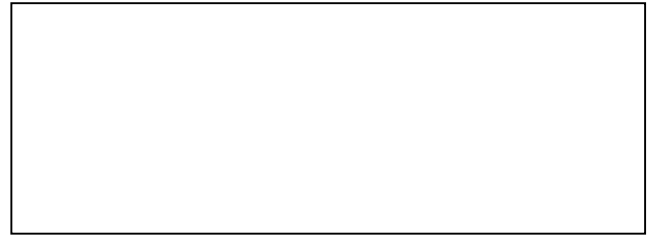
9.7 Total number of years the company/firm has been in business? .....

9.8 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 contribution indicated in paragraph 7 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 paragraph 7, 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 contribution 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) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the *audialterampartem* (hear the other side) rule has been applied; and
  - (e) forward the matter for criminal prosecution

**WITNESSES:**

1. ....



SIGNATURE(S) OF BIDDER(S)

2. ....

DATE: .....

ADDRESS:.....

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

This Standard Bidding Document must form part of all bids invited.

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.

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.

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

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury’s database as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the <i>audialterampartem</i> rule was applied).	Yes	No
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? <b>To access this Register enter the National Treasury’s website: <a href="http://www.treasury.gov.za">www.treasury.gov.za</a>, click on the icon “Register for Tender Defaulters” or submit your written request for a hard copy of the Register to facsimile number (012) 326 5445.</b>	Yes	No
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	No
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	No
4.4.1	If so, furnish particulars:		

**CERTIFICATION**

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

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

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder

### CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Standard Bidding Document (SBD) must form part of all bids<sup>1</sup> 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).<sup>2</sup> 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:

<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids and proposals.

<sup>2</sup> 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 consortium<sup>3</sup> will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
  - (a) prices;
  - (b) geographical area where product or service will be rendered (market allocation)
  - (c) methods, factors or formulas used to calculate prices;
  - (d) the intention or decision to submit or not to submit, a bid;
  - (e) the submission of a bid which does not meet the specifications and conditions of the bid;or
  - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
10. I am aware that, in addition and without prejudice to any other remedy provided to combat any
11. 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

<sup>3</sup> 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.

**(GPAA)**

**GCC**

## **General Conditions of Contract**

### **GPAA PROCUREMENT: GENERAL CONDITIONS OF CONTRACT**

The purpose of this Annexure is to:

- i. Draw special attention to certain general conditions applicable to GPAA 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 the GPAA.
- 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
16. Payment
17. Prices
18. Contract amendments
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Dumping and countervailing duties
25. Force Majeure
26. Termination for insolvency
27. Settlement of disputes
28. Limitation of liability
29. Governing language
30. Applicable law
31. Notices

## 32. Taxes and duties

### DEFINITIONS

The following terms shall be interpreted as indicated:

- 7.1. “**Closing time**” means the date and hour specified in the bidding documents for the receipt of bids.
- 7.2. “**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.
- 7.3. “**Contract price**” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- 7.4. “**Corrupt practice**” means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public employee in the procurement process or in contract execution.
- 7.5. “**Countervailing duties**” are imposed in cases where an enterprise abroad is subsidized by its GEPF and encouraged to market its products internationally.
- 7.6. “**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.
- 7.7. “**Day**” means calendar day.
- 7.8. “**Delivery**” means delivery in compliance of the conditions of the contract or order.
- 7.9. “**Delivery ex stock**” means immediate delivery directly from stock actually on hand.
- 7.10. “**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.
- 7.11. “**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.
- 7.12. “**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.
- 7.13. “**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.
- 7.14. “**GCC**” means the General Conditions of Contract.
- 7.15. “**Goods**” means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract
- 7.16. “**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.

- 7.17. **“Local content”** means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 7.18. **“Manufacture”** means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 7.19. **“Order”** means an employee written order issued for the supply of goods for works or the rendering of a service.
- 7.20. **“Project site,”** where applicable, means the place indicated in bidding documents.
- 7.21. **“Purchaser”** means the organization purchasing the goods.
- 7.22. **“Republic”** means the Republic of South Africa.
- 7.23. **“SCC”** means the Special Conditions of Contract.
- 7.24. **“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.
- 7.25. **“Written”** or **“in writing”** means handwritten in ink or any form of 96 electronic or mechanical writing.

#### **APPLICATION**

- 8.1. 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.
- 8.2. Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 8.3. Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

#### **GENERAL**

- 9.1. 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.
- 9.2. With certain exceptions, invitations to bid are only published in the State Tender Bulletin. The State Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from [www.employee.gov.za](http://www.employee.gov.za).

#### **STANDARDS**

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

#### **10 USE OF CONTRACT DOCUMENTS AND INFORMATION; INSPECTION**

- 11.1. 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.

- 11.2. 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.
- 11.3. 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.
- 11.4. 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.

## 11 **PATENT RIGHTS**

- 12.1. 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.

## 12 **PERFORMANCE**

- 13.1. 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.
- 13.2. 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.
- 13.3. 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:
  - 13.3.1. 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
  - 13.3.2 A cashier's or certified cheque
- 13.4. 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.

## 13 **INSPECTIONS, TESTS AND ANALYSES**

- 14.1. All pre-bidding testing will be for the account of the bidder.
- 14.2. 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.
- 14.3. If there is 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 Energy Board concerned.
- 14.4. 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.
- 14.5. 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.
- 14.6. 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.

- 14.7.** Any contract supplies may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected 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.
- 14.8.** 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.

#### **14 PACKING**

- 15.1.** 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.
- 15.2.** 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.

#### **15 DELIVERY OF DOCUMENTS**

- 16.1.** 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.
- 16.2.** Documents to be submitted by the supplier are specified in SCC.

#### **16 INSURANCE**

- 18.1.** 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.

#### **18 TRANSPORTATION**

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

#### **20 INCIDENTAL SERVICES**

- 21.1.** 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.
- 21.2.** 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.

## 21 SPARE PARTS

- 22.1. 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.

## 22 WARRANTY

- 23.1. 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.
- 23.2. 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.
- 23.3. The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.
- 23.4. 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.
- 23.5. 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.
- 23.6. 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.

## PAYMENT

- 21.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 21.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment of other obligations stipulated in the contract.
- 21.3 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.
- 21.4 Payment will be made in Rand unless otherwise stipulated in SCC.

## PRICES

- 22.1 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.

#### **CONTRACT AMENDMENTS**

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

#### **ASSIGNMENT**

- 24.1 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.

#### **SUBCONTRACTS**

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

#### **DELAYS IN THE SUPPLIERS PERFORMANCE**

- 26.1 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.
- 26.2 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.
- 26.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or local authorities.
- 26.4 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.
- 26.5 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.
- 26.7 Upon any delay beyond the delivery period in the case of supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

#### **PENALTIES**

- 27.1 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.

#### **TERMINATION FOR DEFAULT**

- 28.1 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.
- 28.2 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.

### **ANTI-DUMPING AND COUNTERVAILING DUTIES AND RIGHTS**

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

### **FORCE MAJEURE**

- 30.1 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.
- 31.1 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.

### **32 TERMINATION FOR INSOLVENCY**

- 32.1 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.

### **33 SETTLEMENT OF DISPUTES**

- 33.1 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.
- 33.2 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.

- 34.1 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 34.2 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 34.3 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.
- 35.1 Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6.

### 36 **LIMITATION OF LIABILITY**

- 36.1 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.
- 36.2 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.

### 37 **GOVERNING LANGUAGE**

- 37.1 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.

### 38 **APPLICABLE LAW**

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

### 39 **NOTICES**

- 39.1 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.
- 39.2 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.

### 40 **TAXES AND DUTIES**

- 40.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 40.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 40.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid, GPAA 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.