



BID NO.: MEGA/2021/05

**APPOINTMENT OF A SHORT AND LONG-TERM
INSURANCE BROKER FOR
MPUMALANGA ECONOMIC GROWTH AGENCY
FOR A PERIOD OF THREE YEARS, WITH AN
OPTION TO EXTEND FOR AN ADDITIONAL
TWO (2) YEARS**

CLOSING DATE: 18 JUNE 2021 12:00PM

.....
NAME OF THE BIDDER:

R.....
**TOTAL BID PRICE (INCL. VAT AND ALL COSTS SUCH AS CLAIMS
HANDLING) FOR THE FIRST YEAR OF COVER**

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ANNEXURE D

General conditions of contract



INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR THE MPUMALANGA ECONOMIC GROWTH AGENCY INSURANCE REQUIREMENTS FOR THE PERIOD 01 JULY 2021 TO 30 JUNE 2024

BID NUMBER: **MEGA/2021/05** CLOSING DATE: **18 June 2021** CLOSING TIME: **12:00PM**

DESCRIPTION: **APPOINTMENT OF A SHORT AND LONG-TERM INSURANCE BROKER FOR THE MPUMALANGA ECONOMIC GROWTH AGENCY FOR A PERIOD OF 3 YEARS, WITH AN OPTION TO EXTEND FOR AN ADDITIONAL TWO (2) YEARS**

BID DOCUMENTS MUST BE DEPOSITED IN THE TENDER BOX SITUATED AT ARSA SQUARE BUILDING, MEGA HEAD OFFICE 4TH FLOOR, 20 PAUL KRUGER STREET MBOMBELA, 1200

Bidders should ensure that bids are delivered on time on or before the closing date. If the bid is late, it will not be accepted.

ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS, DULY COMPLETED IN BLACK INK – (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 AND REQUIREMENTS INCLUDED IN THE BID DOCUMENTS.

NB: NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE

All interested parties should communicate with the Supply Chain Official at:

- Mr. Wandile Shongwe (Wandile.shongwe@mega.gov.za)
- 013 755 6328 Ext 1077

Tender documents can be downloaded for free from MEGA website (www.mega.gov.za) under Resources - SCM.

Compulsory briefing session

No compulsory briefing session will be held for this bid:

**THE FOLLOWING PARTICULARS MUST BE FURNISHED
(FAILURE TO DO SO MAY RESULT IN YOUR BID BEING DISQUALIFIED)**

NAME OF BIDDER:.....

POSTAL ADDRESS

STREET ADDRESS

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

CELLPHONE NUMBER

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

VAT REGISTRATION NUMBER

HAS AN ORIGINAL TAX CLEARANCE CERTIFICATE BEEN SUBMITTED? YES/NO

AUTHORISED SIGNATURE OF BIDDER

DATE

CAPACITY AND AUTHORITY UNDER WHICH THIS BID IS SIGNED

.....

TOTAL BID PRICE INCLUDING VAT AND FOR COSTS SUCH AS CLAIMS HANDLING
FOR THE FIRST YEAR OF COVER 01 JULY 2021 TO 30 JUNE 2024:

R AND IN WORDS

.....

ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:

Entity : Mpumalanga Economic Growth Agency

Department : Supply Chain Management Division

Procurement enquiry: Mr Wandile Shongwe

E-mail: Wandile.shongwe@mega.gov.za

Telephone : 013 755 6328

Any responses to enquiries will be shared via e-mail with all known entities which acquired a tender document.

Tender specifications

You are hereby invited to submit your tender in respect of the rendering of insurance (risk financing), short and long - term insurance broking services as well as supporting services such as claims management to Mpumalanga Economic Growth Agency, and to do so on the following conditions:

1. Your tender, in duplicate i.e. one original and one comprehensive and complete copy, must be submitted by not later than the date and time as required. No tender received after this date and time will be considered.
2. Your tender should be submitted to specifically meet the Mandate and requirements as outlined in this tender specification document.
3. Tenders may only be submitted in the tender format provided and should not be retyped. All prices must be clearly discernable.
4. The additional information required should be provided by completion and submission of the relevant pages in this tender document. Should the space allowed for this be insufficient, tenderers may add additional pages, with clear cross-references, as annexures to their tenders.
5. Your tender is to be valid until 31 October 2021 and you will undertake not to amend the terms or conditions prior to that date.
6. Faxed, e-mailed and telegraphic tenders/copies will not be accepted.
7. The successful tenderer will be required to render its services subject to the contractual requirements as stipulated in the tender and to enter into a Service Level Agreement with the Mpumalanga Economic Growth Agency including the duly accepted Broker Service Plan. A copy of the tenderer's proposed agreement as well as Broker Service Plan should be included for consideration.
8. Any deviation from i.e. the Mpumalanga Economic Growth Agency requirements such as limits or conditions or requirements **must** but clearly indicated and any areas of non-compliance identified after the award of the tender will be for the account of the successful tender/service provider.
9. Through the insurance broker, the Insurance underwriter will be required to render protection policy services to MEGA and to underwrite the benefits of MEGA's clients specifically, life cover benefits of Mortgage bond members and Housing loan debtors.

9.1. Group Life- and Disability cover of R80 000 000.00 – R100 000 000.00 to members of mortgage bonds and housing loan debtors in MEGA's housing loan book.

- Life Cover: Age 18 – 70
- Amount Max R1 000 000.00 per individual
- Disability cover: Age 18 – 65
- Amount Max R1 000 000.00 per individual

9.2 Receive death and disability claims

9.3 Payment of the outstanding loan balance within a period of 180 days

9.4 Payment of benefits in terms of Death and Disability cover

9.5 Monitor monthly premiums by clients and review of annual premiums

9.6 Keep records of all documentation

10. The Insurance underwriter will be required to rendering of insurance (risk financing), short-term insurance broking services as well as supporting services such as claims management to Mpumalanga Economic Growth Agency

- Underwrite the benefits of MEGA's assets specifically properties (house structures) under benefits of Mortgage bond members and Housing loan debtors.
- Administration of claims

The scope of work in terms of Short Term Insurance shall comprise of the following:

10.1 Short Term insurance on the fixed assets under MEGA's members of Mortgage bonds and Housing loan debtors in MEGA's housing loan book to the replacement value of properties of each lender's property in MEGA's housing loan book

10.2 Amount Max R1 500 000.00 per individual

10.3 Receive claims in terms of structural damage (including geyser and components)

10.4 Payment of the invoiced damages within a period of 180 days

10.4 Payment of benefits in terms of structural cover

10.5 Monitor monthly premiums by clients and review of annual premiums

10.6 Keep records of all documentation

Special conditions

1. Definitions

Unless otherwise indicated the following words shall bear the following meanings:

- 1.1 The “MEGA” shall mean the Mpumalanga Economic Growth Agency.
- 1.2 The “tender or bid” shall mean a tender or bid for the supply/provision/arrangement of short and long term insurance (risk financing) broking services including related services such as claims management for Mpumalanga Economic Growth Agency at agreed fees, terms and conditions.

The Insurance underwriter will be required to render protection policy services to MEGA and to underwrite the benefits of MEGA’s clients specifically, life cover benefits of Mortgage bond members and Housing loan debtors.

An indication of the basis for year 2 and year 3 remuneration should also be provided i.e. full commission or % (percentage) of commission or fixed fees to render all the required services.

- 1.3 The “tenderer or bidder” shall mean any duly accredited person or persons or any body, incorporated or otherwise, entity submitting a tender to arrange short-term insurance (risk financing) broking services to Mpumalanga Economic Growth Agency.
- 1.4 The “contract period” shall commence on 01 July 2021 to 30 June 2024 on the condition that the Mpumalanga Economic Growth Agency would have the option to require a re-assessment of the insurance and risk financing requirements on a year-to-year basis i.e. for period ending June 2023 and June 2024. It however remains the responsibility of the appointed broker to optimally manage the insurance (risk financing) portfolio to the benefit of the Mpumalanga Economic Growth Agency at all times.
- 1.5 “Risk financing products and services” shall include insurance, re-insurance, insurance broking, insurance claims management and risk financing intermediary services, recovery services as well as any associated product and services all services that a professional broker would render to a client.

2. Failure to perform

- 2.1 If -
- (a) the tenderer should fail to arrange the insurance or risk financing cover timeously with the insurer/consortium/supporting underwriters as stated in the proposal/tender/contract;
- or

(b) the Mpumalanga Economic Growth Agency should suffer any damage as a result of the tenderer's failure to perform as instructed or required and expected, it is agreed that the tenderer will pay to the Mpumalanga Economic Growth Agency the following amounts, in each case to be determined by the Chief Executive Officer or Chief Financial Officer, as liquidated damages and not as a penalty;

i) in the event of (a) an amount equal to any additional costs over and above the tender price incurred by the Mpumalanga Economic Growth Agency to arrange any short-term insurance or risk financing in terms of the contract in a manner deemed fit by the Mpumalanga Economic Growth Agency, together with all related costs and expenses involved;

or

ii) in the event of (b), an amount not exceeding the actual damage and costs sustained or incurred by the Mpumalanga Economic Growth Agency;

iii) including any possible claim instituted against the tender/brokers professional indemnity insurance.

2.2 The Chief Executive Officer/Chief Financial Officer will also determine the manner in which and the time when such payment of additional costs and or damages are to be paid to the Mpumalanga Economic Growth Agency, and the decision of the Chief Executive Officer/Chief Financial Officer will be final and binding in each case and on all parties.

3. Fees

3.1 Any fees by any name or intention, stated will be **inclusive of VAT as well as include all other costs such as for claims handling.**

3.2 Fees quoted shall be in respect of twelve (12) months period as from 01 July 2021 to 30 June 2024.

3.3 Any proposed increases of fees for the period following 01 July 2021 should be clearly indicated as a percentage (%) or indicate full commission or proposed fixed fees.

4. Payment of premiums

The premium payment for the period from 01 July 2021 will be made in terms of the Short and long term Insurance Act and on receipt of **all draft or original policy documents or proof of placement of cover and valid tax invoices as well as an Executive Summary of the cover stating e.g. type of cover, insured events, insured limit, excess or deductible, material exclusions and conditions.**

In the event of an increase or decrease in assets and insurable interests, to be made through declarations, the premium will be adjusted or refunded accordingly.

It remains the responsibility of the tender/broker to ensure that the required information is requested from time to time from the Mpumalanga Economic Growth Agency.

The Mpumalanga Economic Growth Agency may deduct any amount owing to the Mpumalanga Economic Growth Agency by the short and long-term insurance broker under any of the provisions of this tender/contract from any amount owing in respect of this insurance and/or risk financing portfolio. Cover must remain in full force and effect during the period that this requirement applies.

5. **Information to be provided by tenderer**

No tender will be considered, unless accompanied by sufficient information so as to indicate that the fee proposed will include the **total cost of arranging and management of the insurance and risk financing portfolios including the claims management for the period 01 July 2021 to 30 June 2024.**

6. **Alternatives**

The tenderer may submit **one** alternative proposal, which, in his opinion, is to the Mpumalanga Economic Growth Agency's advantage economically and technically.

7. **Variation**

In the event that tenderers are offering any insurance or risk financing services and or products differing or varying from the requirements of this specification, all such variations shall be clearly indicated and described in the tender response.

8. **Risk management**

The Mpumalanga Economic Growth Agency has already an active enterprise-wide risk management function and this tender is therefore only for the **short and long-term insurance and risk financing broking and related services such as claims management.**

The following has already been undertaken:

- Risk Management Framework that complies with the National Treasury requirements
- Key risk indicators covering all Departments and Activities
- Risk Management Committee Charter
- Strategic Risk Assessment
- Strategic risk register
- Operational risk register
- Top 10 Strategic risks including identification of "risk champions"
- Operational Risk Committee
- Detailed Delegation of Responsibility of Oversight responsibility of the different structures within the Mpumalanga Economic Growth Agency
- Reporting to all levels within the Mpumalanga Economic Growth Agency
- Risk Management forms part of each member of Senior Management's Key Performance Indicators
- Monitor and Performance Monitor Committee

Should the Mpumalanga Economic Growth Agency however require any risk management related services from the tenderer, it would be requested on an ad hoc basis.

The Mpumalanga Economic Growth Agency is actively focusing in the integration of pro-active risk management within all operational levels.

These processes consist of amongst others:

- On-going risk register re-evaluations;
- Updating of risk registers;
- Management of current-, emerging, unacknowledged as well as reputation risk; and
- Incident and near miss investigations.

Other risk management processes that has been implemented are as follows

- Physical risk assessments;
- Occupational Health and Safety integration;
- Construction Regulations compliance;
- Emergency evacuation plans;
- Business continuity;
- Scatter grams;
- Security systems;
- Security guards;
- Vehicle fleet management and tracking system has been installed in vehicles; as well as
- Internal control framework system.

9. Functionality assessment

All bidders will be assessed as per the functionality assessment document as per **annexure C**.

All tenders must achieve a minimum of 70% before the financial proposal will be considered.

Mandate

Mandate to interested tenderers to submit a tender to render short and long-term insurance (risk financing) broking and related services such as claims management to the Mpumalanga Economic Growth Agency

1. Tenders must be submitted one original and soft copy (memory stick or CD), in the **approved tender format** that has not been retyped.
2. The tender presentation must be in accordance with the minimum requirements as set out hereunder.
3. The tenderer may adopt any approach it deem appropriate to demonstrate the entities ability to service the Mpumalanga Economic Growth Agency to effectively manage an insurance and risk financing portfolio optimally as well as of this magnitude.
4. The tenderer may approach and utilise all insurers or underwriters complying with the relevant South African statutory solvency and other legal requirements.
5. Tenders should be accompanied by a **detailed summary of the salient features** of your proposed insurance and risk financing structures to be introduced if appointed as the successful broking service provider.
6. **In principle** support for the tenderer's proposals should be evidenced by a signed participation confirmation from all lead as well as support insurers or underwriters, who will support your entities recommended structure, confirming the required cover limits and the material terms, conditions and exceptions proposed by you and or required by the insurers or underwriters must be included in the tender response.
7. The tenderer must disclose the lead as well as support insurers or underwriters, or consortium of insurers or underwriters to be utilised on each policy type as well as the type of policy wording in tender documents including proof of the current credit/risk ratings of all the insurers/underwriters.
8. **Specimen insurance policies on which the Mpumalanga Economic Growth Agency's insurance and risk financing structures will be based upon are to be submitted as well as fully stating the scope of cover, terms, deductibles, conditions and exceptions. The Mpumalanga Economic Growth Agency reserves the right to evaluate the policy wording after the tender award as well as renegotiate conditions which are not supporting the business requirements.**
9. Failure to comply with the above requirements may render the tender **invalid** at the sole discretion of the Mpumalanga Economic Growth Agency.

Information required

1. Particulars of professional indemnity insurance

Provide full details of your professional indemnity insurance arrangements. State underwriter, limits of any one occurrence and deductible as well as maturity dates and retrospective cover period.

2. Fidelity guarantee insurance

Provide full details of your fidelity guarantee insurance arrangements. State underwriter, limits of any one occurrence and deductible as well as maturity dates and retrospective cover period.

3. Audited financial statements

Please attach a copy of your most recent and available audited financial statements.

4. Similar portfolios

- 4.1 If you are currently dealing with any similar entities portfolios, please provide full details, including names of contactable references and by providing such information approval is therefore granted that these clients may be contacted by the Mpumalanga Economic Growth Agency for reference purposes.

Name of entity	Contact person	Tel. no.	E-mail

5. Insurance markets

- 5.1 Which markets do you have access to i.e. indicate the names?

- 5.2 Does your proposed market have experience of Development Agencies?

6. Membership of associations

Are you a member any professional body or association? Please add the names as well as provide copies of the certificates.

7. Empowerment

- 7.1 Empowerment

Provide a certified copy of your BBBEE status, statement on your policy regarding empowerment of the previously disadvantaged sector and of SMME's.

8. Operating company information

Indicate which company, division or branch will be responsible for the execution of the contract, if appointed.

8.1 **Name:**

8.2 **Physical address:**

8.3 **Postal address:**

8.4 **Telephone/cell/facsimile numbers and e-mail:**

8.5 **Income tax reference number:**

8.6 **VAT registration number:**

8.7 **Company registration number:**

8.8 **Chief Executive/Managing Director and contact details:**

8.9 **Structure of division responsible to service the Mpumalanga Economic Growth Agency i.e. Regional Manager, account executive, technical and claims management available in Mbombela:**

8.10 **Names of account executive(s) and support staff that will be responsible for the Mpumalanga Economic Growth Agency's account:**

9. National skills development

9.1 Is your organisation registered with the Department of Labour as a training provider in insurance and risk financing (insurance)?

If so, please provide full details and proof of registration.

10. Claims management

- 10.1 Describe fully the claims management services you are able to offer including recoveries, reporting and quality control. Please take note of the specific requirements of the Mpumalanga Economic Growth Agency.

- 10.2 If you consider it applicable please comment upon the role to be undertaken by the Mpumalanga Economic Growth Agency in connection with the support, review and settlement of claims.

11. Service and remuneration

11.1 Service

Provide full details of the services you propose providing and the extent of such services.

11.2 Provide a copy of your proposed broker service plan for the period 01 July 2021 to 30 June 2024.

11.3 Remuneration

11.3.1 Provide full details of your remuneration requirements, per item, according to the **scope of services**.

11.3.2 Provide details of services that are **not** expressly catered for and the basis upon which you would require to be remunerated if the Mpumalanga Economic Growth Agency required such services.

12. Municipal accounts

Please provide copies of your most recent municipal services accounts i.e. head office as well as the branch that will support the Mpumalanga Economic Growth Agency should your entity be appointed.

The accounts should not be older than three months.

Should there be any arrears longer than three months, then proof should be provided of the agreement with the applicable municipality in this regard.

13. Central Suppliers Database

Please provide copy of CSD Summary Report.

I/We, the undersigned, hereby confirm that all fees and any prices, for or any remuneration quoted as well as cover conditions are firm and binding from 01 July 2021 until 30 July 2024.

Signed at _____ on this the _____ day of _____ 2021.

Full names and signatures

Who also confirms that he/she is duly authorised to do so

Witness 1.

Witness 2.

**Omissions and variations from the Mpumalanga
Economic Growth Agency's specifications,
conditions and requirements
(To be completed by Tenderer)**

Tenders will be held responsible in accordance with the Mpumalanga Economic Growth Agency's specifications/conditions/requirements as included in this tender document except in the respect as stated hereunder and the output will be subject to rejection if it is found on delivery or during the period of cover that it does not comply with the Mpumalanga Economic Growth Agency's specifications/requirements and any deviation is subjected to prior approval in writing by the duly authorised official of the Mpumalanga Economic Growth Agency.

If the tender is in accordance with the Mpumalanga Economic Growth Agency's specifications/conditions/requirements in all respects, the tenderer must state so here:

Name of tender:

Signed at _____ on this the _____ day of _____ 2021.

Full names and signatures

**Who also confirms that he/she is duly
authorised to do so**

Witness 1.

Witness 2.

**Detailed claims history as well as
scatter grams to provide an
indication of the past structure as
well as actual results**

Add information i.e. CD with claims or Excel spreadsheet

Scatter grams.

“See attachments”

The Mpumalanga Economic Growth Agency's minimum claims requirements

The following are the Mpumalanga Economic Growth Agency's minimum claims requirements:

1. Claims

- a. An updated, detailed as well as accurate claims experience report must be submitted every two weeks i.e. 15th day of each as well as last day of each month.
- b. An updated, detailed as well as accurate claims loss ratio report must be submitted on a monthly basis i.e. 30th day of each month. Claims loss ratio must indicate as a minimum:
 - o premium against claim amounts;
 - o how the amounts and ratios were derived at i.e. the claim numbers and amounts;
 - o excel spreadsheet; and
 - o graph representation.
- c. Recovery data report per month on a monthly basis on i.e. 30th day of each month per insurance type i.e. vehicles.
- d. Excess amounts payable per month on a monthly basis on the 1st day of each month.
- e. When an assessor or loss adjuster is of the opinion that betterment applies, the Mpumalanga Economic Growth Agency must be notified immediately but before any appointment of service providers are undertaken. This requirement is to ensure that proper negotiations could be ensured.
- f. All claims payments must be undertaken by electronic funds transfer and the broker must notify the Mpumalanga Economic Growth Agency's Insurance Department of such payments as well as claim details.
- g. All **operational type claims such as laptops** should have a maximum **turnaround time of no more than two weeks**, once all required documentation has been submitted. The Mpumalanga Economic Growth Agency's Insurance Department must timeously be informed of any reasons for the deviations.

These minimum requirements must also reflect, where applicable, in the draft broker service plan as well as draft service level agreement including escalation standards.

The tenderers should also provide an indication of available claims systems that will be available and provided to the Mpumalanga Economic Growth Agency. **Only systems that are currently available as well as operational should be proposed and no other options should be offered during the tender stage.**

The Mpumalanga Economic Growth Agency's minimum renewal requirements

The following are the Mpumalanga Economic Growth Agency's minimum renewal requirements:

1.0 Renewal

- Underwriting questionnaires **relevant** to the Mpumalanga Economic Growth Agency must be provided **four months prior** to the renewal date so as to ensure that the Mpumalanga Economic Growth Agency's Business Units/Departments could consider insurance requirements as well as complete the required application forms.
- Annexure of current insurance cover must be submitted, along with renewal conditions as well as premium requirements no later than **three months before expiry of any current cover**.
- Debit notes must be submitted physically to the Mpumalanga Economic Growth Agency's Insurance Department no later than **two months before renewal**.
- Debit notes including policy wording must be submitted within a week of an additional item being added to the insurance portfolio due to legal as well as operational procedures. The notes must also be accompanied with any instruction or requirements of underwriters.
- Updated Executive Summaries must be provided as soon as any changes are effected to the Insurance Portfolio.
- Statement of accounts must be provided with all invoices submitted to the Mpumalanga Economic Growth Agency's Insurance Department and if this requirement is not complied with no payments could or will be affected and the broker will thus carry the risk should payments not be effected within the required period. The Mpumalanga Economic Growth Agency will thus carry no risk due to the non-compliance of the broker.
- Any additional or existing underwriting enquiries must be responded to as soon as possible but should be **within 24 hours** from the time of the enquiry.
- SASRIA Coupons and insurance summaries must be submitted along with the renewal documents following every renewal period.
- Underwriting advices must be in writing, as well as detailed policy wording where applicable.
- When renewal premiums are provided the broker must provide a table indicating as a minimum the type of cover i.e. All Risks or SASRIA, period, premium, excesses as well as fees for the applicable year.

- On renewal both hard and soft copies of i.e. executive summary, coupons, confirmation of cover placed must be submitted to the Mpumalanga Economic Growth Agency Insurance Division within 14 days from date of inception.

These minimum requirements must also reflect, where applicable, in the draft broker service plan as well as draft service level agreement or policy wording.

The Mpumalanga Economic Growth Agency's Expectations

The Mpumalanga Economic Growth Agency minimum expectations of its service providers are to:

- Minute monthly or any other meetings and provide the minutes within 7 days from date of the meetings;
- Minutes should provide for signatures by both the broker and the Mpumalanga Economic Growth Agency to ensure that it reflect the decisions taken at the applicable meeting;
- Add material value as well as support the development of the Mpumalanga Economic Growth Agency's resources;
- Support our endeavours to improve the circumstances of its stakeholders;
- Contribute to the development of the Mpumalanga Economic Growth Agency as well as the larger Province of Mpumalanga;
- To be treated at all times in a fair and honest manner;
- Promote and comply with good governance principles;
- Support the Mpumalanga Economic Growth Agency's initiatives such as to comply with all applicable legal and best practices such as risk management in a pro-active manner;
- Comply with all legal requirements;
- Minimum requirements of e.g. renewal and claims services must also reflect, where applicable, in the draft broker service plan as well as draft service level agreement as well as complied with at all times;
- To ensure adequate representation and optimal support of the operational requirements the Mpumalanga Economic Growth Agency would give preference to Brokers that has a local representative office or in close proximity to Mbombela.
- The Mpumalanga Economic Growth Agency would also prefer if brokers could endeavour to consider a "layered-approach" of covers so as to ensure that more underwriters could participate in the portfolio as well as to develop an appetite for development agency-type risk, spread underwriter risks, including leading to possible savings.
- The Mpumalanga Economic Growth Agency would expect the successful broker to undertake a detailed re-evaluation of the insurance entire portfolio within 3 (three) months of appointment and to propose changes and corrective actions so as to ensure the optimal structuring and risk financing of the portfolio to the benefit of the Mpumalanga Economic Growth Agency and its stakeholders

The Mpumalanga Economic Growth Agency – Possible uninsured risks or inadequate limits

According to the Mpumalanga Economic Growth Agency the following are currently possible uninsured risks or inadequate limits of insurance and tenderers should accordingly evaluate the current cover and if necessary provide for the covers in the proposed insurance and risk financing proposals for consideration indicating such covers and costs **separately** and thus **not include the premiums in the “as-is” renewal terms**:

- Directors and Officers?
- Travel insurance?
- Professional Indemnity?
- Contractor-all-risk versus principally controlled insurance – both covers should be defined to ensure clarity

Tenders should thus provide an alternative proposal to possibly cover all or only some of the risks. Tenderers should thus clearly in their tenders “Alternative Proposal”. It is the intention of the Mpumalanga Economic Growth Agency to consider this alternative proposal separately and could maybe include or excluded in the renewal award.

The negotiations of this solution would be negotiated following the successful appointment of an insurance broker.

**The Mpumalanga Economic Growth
Agency's – loss adjusters,
assessors and
Panelbeaters**

The Mpumalanga Economic Growth Agency would require tenders to provide a list of duly accredited and competent loss adjusters, assessors and panelbeaters that the brokers/underwriters intend utilising as and when applicable.

The list of proposed service providers should consist of a brief profile that should at least cover:

- BBEE rating
- Skills and capacity
- Competencies i.e. technical qualifications
- Accreditation e.g. specific motor manufacturers
- Contact details
- Central Supplier Database registrations
- Proof of what type of cars registered for repairs

Should the list of approved service providers change during the period of insurance the Mpumalanga Economic Growth Agency should be informed immediately.

The Mpumalanga Economic Growth Agency also require copies of any loss adjuster or assessors reports following assessments as it is the intention to utilise these reports to improve on risk mitigation interventions and so reduce the incidents/claims.

It is the intention of the Mpumalanga Economic Growth Agency to also utilise these accredited loss adjusters, assessors and panelbeaters for own damage/incident investigations.

The Mpumalanga Economic Growth Agency's – Declaration Basis of Cover

The Mpumalanga Economic Growth Agency is actively managing its Insurance Portfolio's and would like to undertake any changes to the portfolio's on the following basis:

Motor vehicle portfolio

- A detailed fleet register will be submitted at inception of the cover i.e. 01 July 2021
- Declaration adjustments will be submitted every quarter after the inception date to allow for the insurer to update its records as well as raise the respective premiums and coupons but the broker is also co-responsible to request and such information when required or during formal meetings
- All vehicles above R 500 000 in value will be specified and submitted at inception of the cover i.e. 01 July 2021
- Brokers are responsible to provide and maintain the replacement values of all vehicles and related equipment such as trailers
- On acquiring any vehicle of R 500 000 in value or more the brokers will be informed as soon as possible
- The Mpumalanga Economic Growth Agency will on the submission of any significant loss/incident/claim provide as part of its claim supporting documents i.e. proof of ownership.

Electronic equipment

- An asset register with book values is attached as an annexure
- Declaration adjustments will be submitted every quarter after the inception date to allow for the insurer to update its records as well as raise the respective premiums and coupons/arrange for premium discount payments but the broker is also co-responsible to request and such information when required or during formal meetings
- On acquiring any specialised equipment of R 2 million in value or more i.e. servers the brokers will be informed as soon as possible
- The Mpumalanga Economic Growth Agency will on the submission of any significant loss/incident/claim provide as part of its claim supporting documents i.e. proof of ownership

State benefits and Personal Accident

- The number of Board Members, Officials as well as their remuneration at the time will be submitted at inception of the cover i.e. 01 July 2021.
- Declaration adjustments will be submitted with every general increase as well as yearly after the inception date to allow for the insurer to update its records as well as raise the respective premiums but the broker is also co-responsible to request and such information when required or during formal meetings.

Declaration of interest

1. No bid will be accepted from persons in the service of the State.*

2. Any person, having a kinship with persons in the service of the State, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudication authority and/or take an oath declaring his/her interest.

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

3.1 Full Name:

3.2 Identity Number:

3.3 Company Registration Number:

3.4 Income Tax Reference Number:

3.5 VAT Registration Number:

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

3.6.1 If so, furnish particulars.

.....

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

3.7.1 If so, furnish particulars

.....

*MSCM Regulations: "in the service of the State" means to be –

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

CERTIFICATION

I, THE UNDERSIGNED.....

**CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS
CORRECT.**

**I ACCEPT THAT THE STATE MAY ACT AGAINST ME SHOULD THIS DECLARATION
PROVE TO BE FALSE.**

.....

Signature

.....

Date

.....

Position

.....

Name of bidder

Preferential points

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:

- 1.2
- 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).

1.3 The value of this bid is estimated not to exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 system shall be applicable.

1.4 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:

	POINTS
1.3.1.1 PRICE	80
1.3.1.2 B-BBEE STATUS LEVEL OF CONTRIBUTION	20

Total points for Price and B-BBEE must not exceed 100

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 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 be quashed 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 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 comparative price of bid under consideration

P_t = Comparative price of bid under consideration

P_{min} = 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-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

- 5.2** 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

- 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

9 DECLARATION WITH REGARD TO COMPANY/FIRM

- 9.1** Name of 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 INFORMATION

Area where business is situate.....

Registered Account Number.....

Stand Number

9.8 TOTAL NUMBER OF YEARS THE COMPANY/FIRM HAS BEEN IN BUSINESS?

9.9 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:

Signature of Bidder(s)

- 1.
- 2.

DATE:.....

ADDRESS:.....

.....
..

Example of CONTRACT FORM - RENDERING OF SERVICES – detail will be addressed in the service level agreement

THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SERVICE PROVIDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SERVICE PROVIDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.

PART 1 (TO BE FILLED IN BY THE SERVICE PROVIDER)

1. I hereby undertake to render services described in the attached bidding documents to (name of the institution)..... in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number..... at the price/s quoted. My offer/s remains binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Bidding documents, viz
 - Invitation to bid;
 - Tax clearance certificate;
 - Pricing schedule(s);
 - Filled in task directive/proposal;
 - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
 - Declaration of interest;
 - Declaration of Bidder's past SCM practices;
 - Certificate of Independent Bid Determination;
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
4. I accept full responsibility for the proper execution and fulfillment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

WITNESSES

1

2

DATE:.....

Example of CONTRACT FORM - RENDERING OF SERVICES

PART 2 (TO BE FILLED IN BY THE PURCHASER/ THE MPUMALANGA ECONOMIC GROWTH AGENCY)

1. I..... in my capacity as.....accept your bid under reference numberdated.....for the rendering of services indicated hereunder and/or further specified in the annexure(s).
2. An official order indicating service delivery instructions is forthcoming.
3. I undertake to make payment for the services rendered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice.

DESCRIPTION OF SERVICE	PRICE (ALL APPLICABLE TAXES INCLUDED)	COMPLETION DATE	B-BBEE STATUS OF CONTRIBUTION	MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)

4. I confirm that I am duly authorised to sign this contract.

SIGNED AT ON

NAME (PRINT)

SIGNATURE

OFFICIAL STAMP

WITNESSES

1

2

DATE:.....

2.2 DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

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

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's database as a company or person prohibited from doing business with the public sector? (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 <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? (To access this Register enter the National Treasury's website, www.treasury.gov.za, click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 3265445).	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
Item	Question	Yes	No

4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
		Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

CERTIFICATION

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Bidding Document (MBD) 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 *per se* prohibition meaning that it cannot be justified under any grounds.
- 3 Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a) take all reasonable steps to prevent such abuse;
 - b) reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the entity or has committed any improper conduct in relation to such system; and
 - c) cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD 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 (MBD 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:

The Mpumalanga Economic Growth Agency _____
(Name of Entity)

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

I certify, on behalf of: _____ that:
(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorised 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

AUTHORITY TO SIGN A BID

1. COMPANIES AND CLOSE CORPORATIONS

- a. If a Bidder is a **COMPANY**, a certified copy of the resolution by the board of directors, duly signed, authorising the person who signs this bid to do so, as well as to sign any contract resulting from this bid and any other documents and correspondence in connection with this bid and/or contract on behalf of the company **must be submitted with this bid**, that is, before the closing time and date of the bid
- b. In the case of a **CLOSE CORPORATION (CC)** submitting a bid, a **resolution by its members**, authorizing a member or other official of the corporation to sign the documents on their behalf, **shall be included with the bid**.

PARTICULARS OF RESOLUTION BY BOARD OF DIRECTORS OF THE COMPANY / MEMBERS OF THE CC

Date Resolution was taken			
Resolution signed by (name and surname)			
Capacity			
Name and surname of delegated Authorized Signatory			
Capacity			
Specimen Signature			
Full name and surname of ALL Director(s) / Member(s)			
Is a CERTIFIED COPY of the resolution attached?	YES		NO
SIGNED ON BEHALF OF COMPANY / CC:		DATE:	
PRINT NAME:			
WITNESS 1:		WITNESS 2:	

CERTIFICATE OF AUTHORITY FOR JOINT VENTURES
--

This returnable schedule is to be completed by JOINT VENTURES

We, the undersigned, are submitting this tender offer in joint venture and hereby authorize Mr/Ms _____
 _____ authorized signatory of the Company/Close
 Corporation/Partnership (name) _____, acting in the capacity
 of lead partner, to sign all documents in connection with the tender offer and any contract resulting
 from it on our behalf.

1. Name of firm (Lead partner)			
Address			
		Tel. No.	
Signature		Designation	

2. Name of firm			
Address			
		Tel. No.	
Signature		Designation	

3. Name of firm			
Address:			
		Tel. No.	
Signature		Designation	

4. Name of firm			
Address			
		Tel. No.	
Signature		Designation	

NOTE: A copy of the Joint Venture Agreement showing clearly the percentage contribution of each partner to the Joint Venture, shall be appended to this Schedule.

EVALUATION CRITERIA

SUPPLY CHAIN POLICY USING 80/20 PREFERENCE POINT SYSTEM

		MAXIMUM POINTS TO BE ALLOCATED	POINTS CLAIMED BY BIDDER	ALLOCATED POINTS
Price (80 Points)	PRICE- PLEASE SEE DETAILED ATTACHED LIST	80		
	SUB TOTAL	80		
EQUITY PROMOTION GOALS (20 Points)				
	B-BBEE STATUS LEVEL OF CONTRIBUTION	20		
	SUB TOTAL	20		
	TOTAL	100		

Mpumalanga Economic Growth Agency



Risk financing (insurance): Tender Evaluation Sheet

Name of bidder: _____

No	Description	Points
	Conditions for exclusion	
1	Tender received on time i.e. before 12:00 on 08 June 2021.	1
2	Proof of CSD registration.	1
	General requirements	
3	Is the tender response submitted in duplicate (1 original and 1 copy) and in the approved tender format?	1
4	Is the name of tenderer and total price including VAT and claims handling for year 1 inserted on covering tender page?	1
5	Has the particulars page be duly completed?	1
6	Is the original tender signed?	1
7	Is the validity period at least up to 31 October 2021?	1
8	Is the proposed contract period accepted i.e. from 01 July 2021 to 30 June 2024 as well as the possible extension?	1
9	Has a draft SLA provided?	1
10	Is the draft SLA reasonable from a MEGA point of view?	1
11	Draft Broker Services Plan provided and addressing MEGA's requirements?	1
12	Is the proposed Broker Service Plan reasonable from a MEGA point of view?	1
13	Has the tenderer provided an "as-is" and optimal structure as well as detailed summary of the salient features of the risk financing (insurance) structures to be introduced?	1
14	Has the tenderer provided alternative proposals as well as covering the salient features of such structures i.e. conditions, exclusions?	1

15	Has the tenderer obtained the required in principle support from insurers/underwriters for the risk financing (insurance) structures proposed i.e. letter of confirmation?	1
	Tenderer's PI Policy/E & O	
16	* Name of underwriter	1
17	* Maturity date of policy	1
18	* Insured limit	1
19	* Deductible	1
20	Overall rating for this requirement	1
	Tenderer's FG Policy	
21	* Name of underwriter	1
22	* Maturity date of policy	1
23	* Insured limit	1
24	* Deductible	1
25	Overall rating for this requirement	1
26	Has the tender included a copy of latest audited financial statements?	1
	Similar portfolios management by tenderer	
27	* Number of applicable portfolios	1
28	* Extend of portfolios meeting MEGA's requirements	1
29		1
30	* Are these portfolios verifiable?	1
31	* Has some of these portfolio's been confirmed?	1
32	Acceptability of markets the tenderer has access to?	1
33	Does these markets have experience in MEGA's field?	1
34	Membership details of professional bodies as well as applicability to the MEGA portfolio?	1
35	Has the tenderer provided a statement regarding empowerment principles employed?	1
36	Has the tenderer indicated if local business would be supported?	1
37	Is the divisional structure allocated to service MEGA practical?	1
38	Has the tenderer provided the details of the account executive responsible for the account	1
	Is the tenderer registered with the DoL/SAQA as a training service provider?	
39	* Was proof of registration submitted?	1
40	Specimen policy wordings including scope of cover, terms and conditions as well as exceptions?	1

41	Omissions and variations duly completed? Are the proposed omissions and variations acceptable to MEGA?	1
42	Preferential points form duly completed and signed?	1
43	Preferential points for local business support?	1
44	Declaration of Supply Chain Management duly completed and signed?	1
	Claims management	
45	Has the tenderer provided a claims management strategy	1
46	Is the proposed claims strategy acceptable to MEGA?	1
47	List of loss adjusters and assessors with minimum requirements been provided?	1
48	Are there any items of the proposed strategy not acceptable to the MEGA's requirements?	1
	Costing structure for claims management	
49	Is the costs to manage MEGA's claims included in the proposed remuneration proposals?	1
50	Are all claims processes included in the remuneration?	1
	Service Delivery Strategy and Plan	
51	Has the tenderer provided a strategy and plan as required?	1
52	Is there commitment to comply with MEGA's minimum renewal requirements?	1
53	Is there commitment to comply with MEGA's reasonable expectations?	1
54	Does this strategy comply with MEGA's requirements?	1
55	Has the tenderer included a proposed broker service plan?	1
56	Does the proposed plan cover comply with MEGA's current minimum cover requirements?	1
57	Has the tenderer responded to the possible uninsured risks or inadequate limits? If so has proposals been provided including premium and conditions?	1

58	Declaration requirements of MEGA - has the proposals been accepted? If not is the alternative reasonable and acceptable to MEGA? Remuneration required for execution of service plan:	1
59	* Option 1 fee for the period 01 Jul 2021 to 30 June 2021 including claims management and fees?	1
60	* Option 2	1
61	* Fee fixed for 12 months?	1
62	* Commission for any year?	1
63	* VAT inclusive?	1
	Total Points	63
	Percentage	100%

points = 100%

Minimum of 70% must be achieved during the Functionality assessment before price would be considered.

80% Price
20% BBEE

Final score including price as well as BBEE

THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT

July 2010

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

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

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

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

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General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:
 - 1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
 - 1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 “Day” means calendar day.
 - 1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.
 - 1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.
 - 1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
 - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

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

obligations of the supplier covered under the contract.

- 1.25 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.

2. Application

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

3. General

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

4. Standards

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

5. Use of contract documents and information; inspection.

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

6. Patent rights

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

7. Performance security

- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
- (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
 - (b) a cashier's or certified cheque
- 7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspections, tests and analyses

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or

analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

- 9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
- 9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
 - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
 - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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

14. Spare parts

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

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

15. Warranty

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.

15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take

such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

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|---|---|
| 16. Payment | <p>16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.</p> <p>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.</p> <p>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.</p> <p>16.4 Payment will be made in Rand unless otherwise stipulated in SCC.</p> |
| 17. Prices | <p>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.</p> |
| 18. Contract amendments | <p>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.</p> |
| 19. Assignment | <p>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.</p> |
| 20. Subcontracts | <p>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.</p> |
| 21. Delays in the supplier's performance | <p>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.</p> <p>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.</p> <p>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.</p> <p>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</p> |

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)

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR THE BELOW MENTIONED TENDER OF THE MPUMALANGA ECONOMIC GROWTH AGENCY					
BID NUMBER:	MEGA/2021/05	CLOSING DATE:	18 JUNE 2021	CLOSING TIME:	12:00 PM
DESCRIPTION	BID FOR THE APPOINTMENT OF A SHORT TERM INSURANCE BROKER FOR MEGA FOR A PERIOD OF THREE (3) YEARS				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT.					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
FORTH (4) FLOOR					
ABSA SQUARE BUILDING					
20 PAUL KRUGER STREET					
MBOMBELA					
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					
		TCS PIN:		OR	CSD No:
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]		<input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT <input type="checkbox"/> Yes <input type="checkbox"/> No	
IF YES, WHO WAS THE CERTIFICATE ISSUED BY?					
AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA) AND NAME THE APPLICABLE IN THE TICK BOX		<input type="checkbox"/> AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)			
		<input type="checkbox"/> A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS)			
		<input type="checkbox"/> A REGISTERED AUDITOR			
		NAME:			
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT (FOR EMEs & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ANSWER PART B:3 BELOW]
SIGNATURE OF BIDDER		DATE		
CAPACITY UNDER WHICH THIS BID IS SIGNED (Attach proof of authority to sign this bid; e.g. resolution of directors, etc.)					
TOTAL NUMBER OF ITEMS OFFERED			TOTAL BID PRICE (ALL INCLUSIVE)		
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:			TECHNICAL INFORMATION MAY BE DIRECTED TO:		
DEPARTMENT/ PUBLIC ENTITY	MEGA		CONTACT PERSON		
CONTACT PERSON	Mr Wandile Shongwe		TELEPHONE NUMBER		
TELEPHONE NUMBER	013 755 6328 Ext 1077		FACSIMILE NUMBER		
FACSIMILE NUMBER	013 755 6328		E-MAIL ADDRESS		
E-MAIL ADDRESS	Wandile.shongwe@mega.gov.za				

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 ONLINE
1.3.	BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.
1.4.	WHERE A BIDDER IS NOT REGISTERED ON THE CSD, MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS MAY NOT BE SUBMITTED WITH THE BID DOCUMENTATION. B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.
1.5.	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 LEGISLATION OR SPECIAL CONDITIONS OF CONTRACT.
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 VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
2.4	BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.
2.5	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.
2.6	WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS	
3.1.	IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <input type="checkbox"/> YES <input type="checkbox"/> NO
3.2.	DOES THE BIDDER HAVE A BRANCH IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO
3.3.	DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO
3.4.	DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TAX COMPLIANCE STATUS / TAX COMPLIANCE SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.	

NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

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 not to exceed R50 000 000 (all applicable taxes included) and therefore the 80 / 20 preference point system shall be applicable; or
- b) The 80/20 preference point system will be applicable to 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	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
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

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

Where

Ps = Points scored for price of bid under consideration

Pt = 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-BEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20

2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

5. BID DECLARATION

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

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

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

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

7. SUB-CONTRACTING

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

(Tick applicable box)

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

- 7.1.1 If yes, indicate:

- 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		NO	
-----	--	----	--

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

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

OR		
Any EME		
Any QSE		

8. DECLARATION WITH REGARD TO COMPANY/FIRM

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

8.2 VAT _____ registration
number:.....

8.3 Company _____ registration
number:.....

8.4 TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium

One person business/sole propriety

Close corporation

Company

(Pty) Limited

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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

8.6 COMPANY CLASSIFICATION

Manufacturer

Supplier

Professional service provider

Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

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

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as
indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in
paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary
proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a

fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –

- (a) disqualify the person from the bidding process;
- (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
- (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
- (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution.

WITNESSES

1.

2.

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

DATE:

ADDRESS

.....

.....

**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: _____

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

SBD 9

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

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