



REQUEST FOR PROPOSAL (RFP)

**FOR THE IMPLEMENTATION AND SUPPORT OF
ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM, FOR
A PERIOD OF THREE YEARS (3) YEARS**

ISSUED BY:

**MPUMALANGA ECONOMIC GROWTH AGENCY ("MEGA")
SUPPLY CHAIN MANAGEMENT UNIT
02 EASTERN BOULEVARD
RIVERSIDE
MBOMBELA
1200**

MEGA / 2023 / 06

CLOSING DATE: 21 NOVEMBER 2023 AT 12:00 PM

NAME OF A BIDDER: _____

TOTAL PRICE (all inclusive): _____

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SECTION 1: BIDDING INFORMATION

1. TERMS OF REFERENCE

RFP FOR THE PROCUREMENT OF ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM

The Mpumalanga Economic Growth Agency, hereinafter referred to as “**MEGA**” is a schedule 3D entity of the Mpumalanga Provincial Government with a mandate of stimulating economic growth in the Province through inter alia:-

- (i) the provision of funding to SMMEs, Co-operatives and Agricultural enterprises, as well as the provision of housing loans to citizens of Mpumalanga within the gap market;
- (ii) proactively identifying investment opportunities within the Province, attracting investment into such opportunities through various trade and investment promotion initiatives, as well as facilitating that such investments into the province derive maximum development impact;
- (iii) delivering massive infrastructure within the Province;
- (iv) the development and management of property in the form of industrial parks which stimulate economic activity in the Province.

In exercising its powers and functions as articulated in the Act, [“the MEGA Act 1 of 2010”], the entity must continually broaden the participation of Mpumalanga citizens in all the sectors of the economy and accordingly contribute, whether directly or indirectly, to the alleviation of poverty, unemployment and inequality.

2. PURPOSE

To appoint a reputable service provider for the implementation and support of an Enterprise Resource Planning (ERP) system for the Mpumalanga Economic Growth Agency (MEGA) for a period of three (3) years. The ERP system will be used to streamline business processes, enhance efficiency, improve data management, collaboration, support scalability, and deliver cost savings and return on investment for MEGA.

3. INTRODUCTION

Mega would like to invite qualified and experienced service providers to participate in the bidding process for the development and implementation of an ERP solution. MEGA is seeking an ERP system that can address our challenges with the current financial management, customer relations, properties portfolio, Corporate, HR, Risk, Marketing and Communications, Records Management, and loans management. Interested service providers with proven expertise in developing and delivering ERP solutions are invited to submit their proposals. The selected service provider will have the opportunity to work with MEGA in streamlining and enhancing our processes fostering seamless integration across the organization.

4. BACKGROUND

In today's fast-paced and highly competitive business landscape, organizations require robust and integrated systems to manage their core functions effectively. MEGA recognizes the critical role that ERP systems play in enabling businesses to streamline their operations, improve efficiency, and gain a competitive edge. Challenges faced with the current financial system (Pastel) have hindered the efficiency and effectiveness of the finance department and the loans management among others. As a result, MEGA has recognized the need to upgrade to a comprehensive ERP solution that can address these challenges and provide a more robust and integrated platform for business processes.

5. CHALLENGES

6.1 Financial system - The current Pastel system lacks the comprehensive functionality required by the finance division to manage daily functions of the entity. The current system fails to provide a holistic view of financial operations,

resulting in disjointed processes and difficulties in generating accurate and timely financial reports.

- 6.2 Inefficient Financial Processes** - The existing financial system poses challenges in terms of process efficiency. Manual data entry, lack of automation, and limited integration with other systems lead to time-consuming tasks, data discrepancies, and increased risk of errors.
- 6.3 Loans Management from inception to disposal** – Most processes are manual, leading to the loss of critical information and documents. The loan management function is currently manual and there are numerous challenges in the management of business and home loans from inception to closure.
- 6.4** Lack of 360 view of client information which currently requires multiple reports to consolidate.
- 6.5** The current system only offers account information with limited data to enable a complete loan management process.
- 6.6** Account information sometimes requires manual consolidation, which can lead to errors.
- 6.7** There are challenges with the Interest calculations using the PASTEL module.
- 6.8** The system security falls short of best practices with no proper audit trails.
- 6.9** Most information is captured manually, open to errors, and challenges data integrity.

7 TECHNICAL SCOPE OF SERVICE

7.1 FINANCE

7.1.1 Accounting Capabilities

- 7.1.1.1** The system must be able to do all accounting transactions i.e. (accounting for invoices, credit note, debit note, etc.);
- 7.1.1.2** Uploading/ processing journal Entries;
- 7.1.1.3** Posting of journal entries;
- 7.1.1.4** The System should be able to process bank feeds;
- 7.1.1.5** The System should be able to send remittance advices directly to supplier's/service providers;

- 7.1.1.6 Financial reports per Business Unit;
- 7.1.1.7 Interpret final trial balance to financial statement format;
- 7.1.1.8 Capture budgets and forecasts;
- 7.1.1.9 Reports of all transactions such as (Budget variances, Reconciliations, Trial Balance, Age Analysis and General Ledger per business unit);
- 7.1.1.10 Produce consolidated management accounts as well as for each business units and functions;
- 7.1.1.11 Management accounts should entail comparison of actual expenditure to budgeted/project expenditure for current period (one month only), year to date period and also forecast period;
- 7.1.1.12 Produce variances in values and percentage form;
- 7.1.1.13 Export financial reports (general ledger (GL) dump, trail balance, etc.) in excel or CSV file;
- 7.1.1.14 Drill down trial balance items to GL, to sub–GL and to journal entries
- 7.1.1.15 System should disallow processing of transactions (budgets, journal entries, etc.) in a closed off period;
- 7.1.1.16 Closed off period should only be opened upon special request by a relevant person;
- 7.1.1.17 System to only allow processing of balancing transactions;
- 7.1.1.18 The Trial balance should balance;
- 7.1.1.19 Exception reports on unbalancing transactions; and
- 7.1.1.20 General Ledger, All sub-ledgers, Accounts Payable, Accounts Receivable, Purchase Orders, Vendor relationship/Workflow and Cashbook and Bank reconciliation.

7.1.2 Tax Management Capabilities

- 7.1.2.1 Capture the VAT types (Input, output VAT, exempt suppliers etc.)
- 7.1.2.2 Provide reports of tax i.e., VAT 201, EMP501, PAYE
- 7.1.2.3 Summary of Vat transactions
- 7.1.2.4 Update tax tables (rates) or as when SARS updates the tax tables.

7.1.3 Asset Management Capabilities

- 7.1.3.1 Generate asset ID numbers for new assets in a sequence.
- 7.1.3.2 Load asset useful life and updated useful life.
- 7.1.3.3 Accommodate the use of different depreciation methods, ability to apportion the depreciation using numbers of days as well as months.

- 7.1.3.4 Assets reconciliation with the general ledger
- 7.1.3.5 Assets reconciliation to agree to the general ledger (integration of the fixed asset and GL)
- 7.1.3.6 Asset tracking report, this report will be used to do asset verification. This is the report without transactions.
- 7.1.3.7 Asset register report outlining the following: location, user, barcode/serial number, and depreciation amount, useful life remaining and carrying value.

7.1.4 Supplier database

- 7.1.4.1 Add new vendors and updating information as and when required.
- 7.1.4.2 Accommodate compliance requirements: BBBEE and Tax
- 7.1.4.3 Verify vendor banking details via CSD or SARS
- 7.1.4.4 Specify service types for each vendor.
- 7.1.4.5 Produce database reports (service types, ownership, BBBEE, etc.)
- 7.1.4.6 Assign user rights for segregation of duties.
- 7.1.4.7 Upload supplier catalogues for goods and services

7.1.5 Procurement

- 7.1.5.1 Tender Bid Management – update them after every milestone, upload tender documents and extract reports of open and closed tenders.
- 7.1.5.2 Log RFQ requests
- 7.1.5.3 Closed open calls once quotations have been received.
- 7.1.5.4 Attach documents/quotes received (system to have enough space to accommodate documents/quotes received)
- 7.1.5.5 Track and escalate open RFQ calls as per turnaround time provided.
- 7.1.5.6 The system to have sufficient space for the specification to be fully captured.
- 7.1.5.7 Import and export documents in PDF, CSV, Excel, JPG, etc.
- 7.1.5.8 Extract reports in Excel, CSV, etc.
- 7.1.5.9 Capture purchase requisitions
- 7.1.5.10 Capture approval routing for requisitions as per the delegation of authority
- 7.1.5.11 System to set controls of approvals from 1st approver at all times as per delegation of authority.

- 7.1.5.12 System to send out alerts to requisition approvers once requisition has been raised.
- 7.1.5.13 System to attach CSV, Excel, PDF files, etc. whilst raising a requisition.
- 7.1.5.14 System to generate purchase orders.
- 7.1.5.15 Capture approval routing for purchase orders as per the delegation of authority
- 7.1.5.16 System to set controls of approvals from 1st approver at all times as per delegation of authority.
- 7.1.5.17 System to send out alerts to purchase order approvers once purchase order has been generated.
- 7.1.5.18 Functionality to send Purchase orders directly to supplier's/service providers.
- 7.1.5.19 System to be able to produce procurement reports i.e., Open Order Report, Conversion of requisitions to purchase orders report, requisition and purchase order approval report, receipting days' report
- 7.1.5.20 Selection of Item numbers or items of goods or services relating to supplier catalogues
- 7.1.5.21 System to receipt open purchase orders (confirming delivery of purchase order)

7.1.6 **Contract Management**

- 7.1.6.1 Capture and maintain service level agreements (SLAs)
- 7.1.6.2 Present SLA by business units
- 7.1.6.3 Send out alerts prior to contract's expiry dates.
- 7.1.6.4 Set up reminder dates prior to contract expiry date.
- 7.1.6.5 Extract report of contracts in excel format.
- 7.1.6.6 Attach/upload SLAs/contracts using PDF format.
- 7.1.6.7 System to have enough space to accommodate uploading of SLA's/contract documents.

7.2 **FUNCTIONAL**

7.2.1 **Loans Management**

- 7.2.1.1 An efficient and cost-effective loans management solution
- 7.2.1.2 Processes and control to mitigate operational risks and fraud.
- 7.2.1.3 Ability to integrate applications and GL transactions.

- 7.2.1.4** Ability to provide a full audit trail and updated security system.
- 7.2.1.5** Ability to support end-to-end product life cycle.
- 7.2.1.6** Loans Creation – including notifications when a contract is activated.
- 7.2.1.7** Loans Disbursement
 - 7.2.1.7.1** Loans Write-Off
 - 7.2.1.7.2** Loans Collection Processing
 - 7.2.1.7.3** Loans Rescheduling/Restructuring
 - 7.2.1.7.4** Loans Settlement – including early settlement.
 - 7.2.1.7.5** Ability to support the loan disbursement process.
 - 7.2.1.7.6** Disbursement of loans from government mandates (External Loans)
 - 7.2.1.7.7** Supports flexibility of the system to meet speed to market and other promotional.
 - 7.2.1.7.8** Activities such as moratorium, reduced/increased interest rate, contract term etc.
 - 7.2.1.7.9** Supports rounding up/down the monthly instalment amounts and perform adjustment at the last instalment.
- 7.2.1.8** Diverse Loan Repayment functionality
 - 7.2.1.8.1** Must be able to support multiple billing cycle e.g. monthly, quarterly etc.
 - 7.2.1.8.2** Parameterized payment sequence i.e. Seasonal Loans
 - 7.2.1.8.3** Must be able to support payment of seasonal or moratorium.
 - 7.2.1.8.4** Able to calculate rebate amount for early loan payoff by providing a Simulator / Payment schedule.
 - 7.2.1.8.5** Support and able to differentiate multiple payment channels:
 - 7.2.1.8.5.1** Repayment by Direct Debit;
 - 7.2.1.8.5.2** Electronic payment module (In system payments, EFT Payments);
 - 7.2.1.8.5.3** Support backdated payments from Clients;
 - 7.2.1.8.5.4** Support payment adjustment/reversal;
 - 7.2.1.8.5.5** Ability to refund customer excess amounts from overpayments; and
 - 7.2.1.8.5.6** Ability to recalculate the instalments when additional payments are made, or payments are missed.
- 7.2.1.9** Loan servicing – must be able to support loan feature below:
 - 7.2.1.9.1** Loan Rescheduling
 - 7.2.1.9.2** Loan Restructuring

7.2.1.9.3 Loan Refinancing

- 7.2.1.10** Supports flexible early settlement before maturity date with advanced simulation capability.
- 7.2.1.11** Supports storing of transaction history information of an account for a user-definable period with the ability to capture in any particular point of time the details of the account at that point of time.
- 7.2.1.12** Support regeneration (Document repository) of documents (e.g. notices, advices, & statements)
- 7.2.1.13** Disallow overdrawing from a contract.
- 7.2.1.14** Ability to change the instrument type when contract is activated - with approval workflow.
- 7.2.1.15** Transaction and Master data approval workflow
- 7.2.1.16** Support multiple instrument types per transaction.
- 7.2.1.17** Support remaining contract term calculation when the contract is on moratorium and when it expires.
- 7.2.1.18** Automatically process disbursements from the bank to the LMS
- 7.2.1.19** Ability to set alerts / reminders.
- 7.2.1.20** Ability to allocate an investee / contract to a Post Investment Analyst and a Fund
- 7.2.1.21** Management of Transactions
 - 7.2.1.21.1** Ability to link different fees with contracts;
 - 7.2.1.21.2** Ability to link different transactions to different general ledger accounts or Support transaction approval workflow;
 - 7.2.1.21.3** Ability to capture product repayment terms with multiple repayment term frequencies;
 - 7.2.1.21.4** Support bulk transaction processing and posting (including reversals); and
 - 7.2.1.21.5** Ability to support collaterals.
- 7.2.1.22** Collections and Recovery
 - 7.2.1.22.1** Create Collections Files;
 - 7.2.1.22.2** Bulk Posting of Debit Order Receipts;
 - 7.2.1.22.3** Bulk posting of Debit Order Unpaid / Rejections;
 - 7.2.1.22.4** Ability to make amendments on the collections batch;
 - 7.2.1.22.5** Able to provide aging delinquent history for a specific timeframe for individual account level;
 - 7.2.1.22.6** Able to do automatic calculations for Expected Losses;

- 7.2.1.22.7** Support the generation of notices/reminders via the following methods (Email an SMS);
- 7.2.1.22.8** Ability to record litigation activities including the following information:
 - 7.2.1.22.8.1** Customer information, e.g., name, address, etc.;
 - 7.2.1.22.8.2** Loan account information e.g., months in arrears, outstanding balance.
- 7.2.1.22.9** Able to extract write-off details for recovery management e.g., Write-off date, Write-off amount.
- 7.2.1.22.10** Ability to collect on multiple days per month e.g., 1st, 7th, 14th.

7.2.1.23 Settlement

- 7.2.1.23.1** Support adjustments to loan account during settlement;
- 7.2.1.23.2** Support backdated settlements;
- 7.2.1.23.3** Support refund function for overpayment during settlement;
- 7.2.1.23.4** Ability to generate settlement quote (include 3 months quotes); and
- 7.2.1.23.5** Support additional fees charged during the settlement process.

7.2.1.24 Statements

- 7.2.1.24.1** Support generation and printing of statements;
- 7.2.1.24.2** Automatically send statements to clients. (Only for active contracts);
- 7.2.1.24.3** Repayment Schedule - Ability to support the generation and printing of repayment schedule; and
- 7.2.1.24.4** Frequency - Able to support printing statements:
 - 7.2.1.24.4.1** Monthly; and
 - 7.2.1.24.4.2** Adhoc.
- 7.2.1.24.5** Ability to support statement template for customization.
- 7.2.1.24.6** Ability to send exception reports to indicate:
 - 7.2.1.24.6.1** Failed;
 - 7.2.1.24.6.2** Not setup for email delivery; and
 - 7.2.1.24.6.3** Success.

7.2.1.25 Security

13 EVALUATION CRITERIA

13.1 THE ADJUDICATION METHOD

The three-stage tender evaluation and awarding process will be used to adjudicate the tender documents that will be submitted by potential bidders. The stages are described as being.

- **Stage 1** - Responsiveness assessment: Tenders assessment in terms of the tender specification.
- **Stage 2** - Functionality assessment
- **Stage 3** – Quantitative assessment: Financial offer (tender price) evaluation and Specific goals: Evaluation of the bidders scores for the price submitted and scoring of bidders on their specific goals. A bidder scoring the highest points in terms of price and the specific goals will be recommended for appointment. 80/20 evaluation criteria will be used for this bid.

Appointment of a preferred bidder(s)

Subject to the provisions of MEGA Supply Chain Management Policy and the Procurement regulations of 2022,

MEGA reserves the right to:

- Appoint one or more bidder(s) to provide the required service.
- Where applicable, negotiate the final fee or rates with the preferred bidder(s)
- MEGA reserves the right to consider the guidelines and prescribed hourly remuneration rates for consultants as provided in the **National Treasury Instruction 01 of 2013/2014: Cost Containment Measures**, where relevant.

- 7.2.1.25.1 Role-based user access;
- 7.2.1.25.2 Ability to configure Organization Structure to specify permissions; and
- 7.2.1.25.3 Solution should allow only secure protocols for communication.

7.2.1.26 Training

- 7.2.1.26.1 Bidder must provide initial training onsite and online for all the required staff members; and
- 7.2.1.26.2 Training should include training of tools and technology, and specific processes.

8 PROJECT PHASES

The project phases for implementing an ERP system will be influenced by both the solution scope and the allocated budget. By considering both factors, the project team can develop a realistic plan that aligns with the organization's goals and constraints. This ensures that the ERP implementation is both technically feasible and financially viable, allowing for a successful project outcome.

9 REPORTING

The service provider will have to provide interim progress reports to the CIO at agreed frequencies (i.e. monthly), describing work progress, any challenges encountered and proposed responses, an updated work schedule, and further planned actions.

Reports submitted will be approved within timeframes agreed with MEGA, but in any case not later than two (2) weeks to avoid delays. Reports will be submitted in respect of key variables for decision-making and approval.

The service provider will provide a project close-out report together with a final invoice and statement of account at conclusion of the contract.

10 PROJECT TIMEFRAME / DURATION

The project must be divided into three (3) phases with the first phase of the project to be finalized within an estimated period of 6 months from appointment. At conclusion of each implementation phase, the service provider will submit a project close-out report. The priority for phase one is the implementation of the loan management module.

The actual timeframes are subject to adjustment by mutual agreement between MEGA and the professional service provider.

11 MANAGEMENT OF THE SERVICE PROVIDER

The CIO will be the project manager. He will then establish a project steering committee to engage regularly with the service provider to complete the various delivery items efficiently. The project steering committee will meet at least monthly, and the Service provider will report progress at these meetings and receive instructions and guidance within the scope of work allocated to it.

12 PROFILE OF THE BIDDING ENTITY

Prospective tenderers may submit bids as single entities or may enter into a consortia or sub-contracting arrangements, but must nevertheless offer the range of skills, resources and experience to comprehensively respond to the requirements of this Request for Proposal (RfP).

The individual team members' skills and experience in combination with the organizational experience will be reflected as the tender entity's skills and experience. The tenderer will be held accountable in terms of the tenderer's contract for ensuring project deliverables and for the professional conduct as well as integrity of its team members. The tenderer is expected to perform the detailed financial, technical, B-BBEE, institutional and legal work and any other work required to execute the project.

The Tenderer must, amongst other things, demonstrate the following:

- a) Experience in similar projects and programmes.
- b) Knowledge of national and international best practices.
- c) Multi-disciplinary technical strength.
- d) An opportunity for skills development within MEGA.
- e) A single point of accountability for getting the task at hand completed successfully and on time.

Note: A lead team member may perform more than one (1) function as specified in the Technical Evaluation Criteria but must then be able to meet the requirements for each of the lead roles for which the team member is proposed for.

13.2 Functional criteria - The proposal will be evaluated based on the criteria indicated below.

No	Item	Description	Weights (%)
1.	Technical Experience (Implementation / Development of ERP or similar systems)	<p>Provide at least 3 appointment letters and with signed service level agreement.</p> <p>Company profile – Clearly providing detailed information of all projects undertaken by the bidder, excluding the 3 listed above with reference letters. Information on the company profile to include amongst others:</p> <ul style="list-style-type: none"> ○ The customer information ○ Bidder's scope of work performed for the customer. ○ Start and End date for the work done. 	40
2.	Technical Assessment and Methodology	<p>The bidder must demonstrate their understanding of the scope. To be red with the scope of work as outlined in section fictional scope above.</p> <p>The bidder must outline the exact course of action to move business initiatives from abstract ideas to reality. Demonstrate a step-by-step, replicable processes that harmonize project execution across teams and departments.</p> <p>(This information to be provided as part of the bidding process)</p>	25
3.	Roadmap of the chosen solution	Bidder to provide a realistic schedule and timeline for the implementation of the project based upon MEGA priorities, the	20

No	Item	Description	Weights (%)
		duration of each phase and available resources.	
4.	Project Resources:	The service provider should present the project team structure with a summary of the team's qualifications and experience (the information should be provided in a CV format and include years of experience).	15
Total Functionality Assessment			100

Response	Score	Minimum assessment criteria
No response	0	The bidder does not include the relevant information required in the bid document.
Poor	2	The bidder submits <u>relevant</u> information but is either incomplete or <u>somewhat lacking</u> in addressing the expected response.
Adequate	3	The bidder provides <u>sufficient information</u> as expected that addresses the required response adequately.
Very good	4	The bidder provides <u>more than sufficient</u> information which demonstrates superior (more than adequate/average) experience and knowledge to address the required response.
Excellent	5	The bidder provides more than sufficient information which demonstrates superior (more than adequate/average) experience and knowledge to address the required response. In addition, the bidder provides <u>innovative solutions and/or approach</u> to address the identified problem(s)

Bidder to obtain a minimum of 60% to be evaluated further for price and specific goals.

13.3 Presentation of the RFP

The top three (3) bidders, who scored a minimum of 60%, will be invited to come and do a presentation of their / to demonstrate their understanding of the bid, in line with the evaluation criteria as stated above.

14. PRICE PROPOSAL – INSTRUCTIONS

- 14.1 As part of the bid document, the bidder is requested to also provide a detailed pricing schedule in line with the scope of work as depicted on this RFP document.
- 14.2 The bidder must also ensure that, the bid price (Price proposal) is clearly divided into 3 phases for the implementation of the project.
- 14.3 The bidder is requested to provide a total **FIXED bid price**.
- 14.4 The pricing proposal must provide have clear activities with their own fixed price.

15. CONFIDENTIALITY

This bid and all information in connection therewith shall be held in strict confidence by interested parties and usage of such information shall be limited to preparation of the bid.

16. ENQUIRIES

Enquiries related to this bid may be addressed via email on or before **21 November 2023 at 12 h00**.

All Supply Chain Management enquiries must be directed to:

Mr Wandile Shongwe
Mpumalanga Economic Growth Agency
Supply Chain Management Unit:
013 492 5818
Wandile.shongwe@mega.gov.za,

17. CLOSING DATE AND TIME

Time: 12h00 pm South African Time (GMT +2.00)

Date: 21 November 2023

18. METHOD AND PLACE OF SUBMISSION

All the Bid documents together with the supporting documents must be submitted on sealed envelope, marked with the Name of bidder, Bid number, Bid description and closing date and be deposited in the tender box as per closing date and time per bid above. The address is as follows:

MEGA Office Park
02 Eastern Boulevard, Riverside
MBOMBELA
1200

All bidders are requested to submit the documents in two [2] formats, namely, one [1] original copy and one [1] soft copy [USB]

SECTION 2: RESPONDENT INFORMATION

SECTION 2: RESPONDENT INFORMATION

(To be completed by Respondent)

Respondent Information

1. Name of company: _____

2. Company registration number: _____

3. Address of company:

Postal Address:

Street Address:

Company's internet address: _____

4. Contact person:

Name: _____

Designation: _____

Telephone number: _____

Fax number: _____

5. Names of the directors of your company:

Name:

Designation:

6. Total number of Employees: _____

7. Declaration:

The information supplied in this document is correct and complete to the best of my knowledge and accurately reflects the capability of:

(Company name): _____

Signature: _____

Date: _____

Name: _____

This bid is signed in my capacity as: _____

SECTION 3: TERMS AND CONDITIONS

SECTION 3: TERMS AND CONDITIONS

(To be read very carefully by respondent)

Special conditions for the bid

1. INTERPRETATION AND DEFINITIONS

1.1 Definitions

The expressions defined below shall have the meaning hereby assigned to them unless inconsistent with the context of a particular proposal, agreement, contract or order.

1.1.1 "Company": Mpumalanga Economic Growth Agency

1.1.2 "Closing date": the date and hour specified in the document

2. BID INVITATION

2.1 Bid Preparation

All costs in the preparation, presentation and demonstration will be on the account of the interested parties. All supporting documentation and manuals submitted in response to this bid will become "company's" property unless otherwise stated by the interested parties at the time of submission.

2.2 Confidentiality

The information obtained through this bid will be regarded as confidential; however, MEGA does not accept liability for any information which may become public.

2.3 Samples

Interested parties may, as part of their response, submit samples, brochures or documentation of the products supplied by the interested parties. Samples, brochures and documentation submitted will be returned to the interested parties only on request.

2.4 Background checks

MEGA reserves the right to request all relevant information, agreements and other documents to verify information supplied in the bid response. The bidder hereby gives consent to MEGA to conduct background checks on the bidding entity and any of its directors/ partners / trustees / shareholders / members

3. BID

3.1 Document requiring completion and return

Interested parties must complete and submit the following documents as part of their response:

- a. Prescribed bid document
- b. Completed and signed SBD documents (SBD1, 4, 6.1)
- c. General conditions of contract
- d. Any information required in this bid

3.2 Amendment of documents by MEGA

MEGA may, at any time prior to the deadline for lodging the bid, amend the documents or extend the time for lodging documents by notice in writing to the prospective Interested parties. (Any amendments under this clause will become part of the request for information).

4. PREPARATION OF THE BID

4.1 Language of document

The bid and all correspondence and documents related to the bid exchanged by the interested parties and MEGA shall be written in English.

5. SUBMISSION OF THE BID

5.1 Address and marking of bid

All bids must be:

- a) Enclosed in a plain envelope or wrapping and clearly marked with the bid number specified on the document.
- b) Lodged so as to ensure that they are received not later than the closing time and date specified for their receipt in accordance with directives issued with the document.

5.2 Number of copies required

The interested parties must submit 1 original copy and 1 soft copy (USB).

5.3 Closing date

All bids close on the date and the time indicated in the document.

5.4 Late submissions

Bids are late if they are received at the address indicated in the document after closing time and date. MEGA will not consider any late bid(s).

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;

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

- 16. Payment**
- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.
- 17. Prices**
- 17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.
- 18. Contract amendments**
- 18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.
- 19. Assignment**
- 19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.
- 20. Subcontracts**
- 20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.
- 21. Delays in the supplier's performance**
- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the

supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without canceling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

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

23. Termination for default

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

- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- (b) if the Supplier fails to perform any other obligation(s) under the contract; or
- (c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

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

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

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

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

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

may be due to him

- 25. Force Majeure**
- 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event
- 26. Termination for insolvency**
- 26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.
- 27. Settlement of Disputes**
- 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5 Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
- (b) the purchaser shall pay the supplier any monies due the supplier.
- 28. Limitation of liability**
- 28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;
- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

- (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
- 29. Governing language** 29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
- 30. Applicable law** 30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
- 31. Notices** 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
- 32. Taxes and duties** 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
- 33. National Industrial Participation Programme (NIP)** 33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.
- 34 Prohibition of Restrictive practices** 34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
- 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

- 34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE MPUMALANGA ECONOMIC GROWTH AGENCY (MEGA)					
BID NUMBER:	MEGA/2023/06	CLOSING DATE: 21 November 2023		CLOSING TIME:	12H00 PM
DESCRIPTION	REQUEST FOR PROPOSAL FOR THE IMPLEMENTATION AND SUPPORT OF ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM, FOR A PERIOD OF THREE (3) YEARS				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
MEGA OFFICE PARK (1 ST FLOOR)					
02 EASTERN BOULEVARD					
RIVERSIDE					
MBOMBELA					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	MR WANDILE SHONGWE		CONTACT PERSON	MR M MKHABELA	
TELEPHONE NUMBER	013 492 5818/7		TELEPHONE NUMBER	013 492 5818/7	
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	wandile.shongwe@mega.gov.za		E-MAIL ADDRESS	mandla.mkhabela@mega.gov.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]	
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.					

**PART B
TERMS AND CONDITIONS FOR BIDDING**

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

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

SIGNATURE OF BIDDER:

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

DATE:

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

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

2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....
.....

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

2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATION

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

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.

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

- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

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

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

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

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

1. GENERAL CONDITIONS

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

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

1.2 To be completed by the organ of state

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

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

- (a) Price; and
- (b) Specific Goals.

1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	
SMMEs	10
>50% Black Female ownership	5
>50%Black youth ownership	5
Total points for Price and SPECIFIC GOALS	100

- 1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

$$\begin{array}{ccc}
 \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\
 \\
 \mathbf{P_s = 80 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)} & \mathbf{or} & \mathbf{P_s = 90 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)}
 \end{array}$$

Where

P_s = Points scored for price of tender under consideration

P_t = Price of tender under consideration

P_{min} = Price of lowest acceptable tender

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

3.2.1. POINTS AWARDED FOR PRICE

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

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

Where

- Ps = Points scored for price of tender under consideration
Pt = Price of tender under consideration
Pmax = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
 - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

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

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
SMMEs	N/A	10	N/A	
>50% Black Female ownership	N/A	5	N/A	
>50% Black youth ownership	N/A	5	N/A	

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution, if deemed necessary.

.....	
SIGNATURE(S) OF TENDERER(S)	
SURNAME AND NAME:
DATE:
ADDRESS:

