

# **PART A INVITATION TO BID**

|   |   |               |   |  |  |
|---|---|---------------|---|--|--|
| <b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)</b>  |   |               |   |  |  |
| BID NUMBER:   | DMV/BID/05/2024/25  | CLOSING DATE: | 31/01/2025  | CLOSING TIME:  | 11:00AM  |
| DESCRIPTION   | APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE SCANNING,IMAGING AND INDEXING, AS WELL AS HANDLING, MANAGEMENT AND OFFSITE STORAGE FOR DEPARTMENT OF MILITARY VETERANS FOR A PERIOD OF 36 MONTHS (THREE YEARS) |               |   |  |  |
| <b>BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)</b>  |   |               |   |  |  |
| THE DEPARTMENT OF MILITARY VETERANS   |   |               |   |  |  |
| 328 FESTIVAL STREET   |   |               |   |  |  |
| HATFIELD,PRETORIA   |   |               |   |  |  |
| 0083  |   |               |   |  |  |
| <b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO</b>   |   |               | <b>TECHNICAL ENQUIRIES MAY BE DIRECTED TO:</b>                    |  |  |
| CONTACT PERSON  | Mr Ludwe Peter  |               | CONTACT PERSON  | Ms Alettie Sutherland  |  |
| TELEPHONE NUMBER  | 078 166 1443  |               | TELEPHONE NUMBER  | 012 765 9466   |  |
| FACSIMILE NUMBER  | N/A   |               | FACSIMILE NUMBER  | N/A  |  |
| E-MAIL ADDRESS  | <a href="mailto:Ludwe.Peter@dmv.gov.za">Ludwe.Peter@dmv.gov.za</a>  |               | E-MAIL ADDRESS  | <a href="mailto:Alettie.Sutherland@dmv.gov.za">Alettie.Sutherland@dmv.gov.za</a> |  |
| <b>SUPPLIER INFORMATION</b>   |   |               |   |  |  |
| 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<br>[IF YES ENCLOSE PROOF]  |               | ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED? |  | <input type="checkbox"/> Yes <input type="checkbox"/> No<br>[IF YES, ANSWER THE QUESTIONNAIRE BELOW] |
| <b>QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>   |   |               |   |  |  |
| 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

|                                       |   |
|---------------------------------------|---|
| <b>1. BID SUBMISSION:</b>             |   |
| 1.1.                                  | BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.   |
| 1.2.                                  | <b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.</b>  |
| 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.                                  | <b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</b>   |
| <b>2. TAX COMPLIANCE REQUIREMENTS</b> |   |
| 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 <a href="http://WWW.SARS.GOV.ZA">WWW.SARS.GOV.ZA</a> .  |
| 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:

.....

### PRICING SCHEDULE – FIRM PRICES (PURCHASES)

**NOTE:** ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED

IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT

Name of bidder..... Bid number.....

Closing Time 11:00 on .....

OFFER TO BE VALID FOR **90** DAYS FROM THE CLOSING DATE OF BID.

| ITEM NO. | QUANTITY  | DESCRIPTION | BID PRICE IN RSA CURRENCY (INCLUDING VAT) |
|----------|---|-------------|---|
| -        | Required by:  | .....       |   |
| -        | At:   | .....       |   |
| -        | Brand and model   | .....       |   |
| -        | Country of origin   | .....       |   |
| -        | Does offer comply with specification?                                 |             | *YES/NO                                   |
| -        | If not to specification, indicate deviation(s)                        | .....       |   |
| -        | Period required for delivery  | .....       |   |
|          |   |             | *Delivery: Firm/not firm                  |
| -        | Delivery basis (all delivery costs must be included in the bid price) | .....       |   |

Note: All delivery costs must be included in the bid price, for delivery at the prescribed destination.

**\*Delete if not applicable**

## PRICING SCHEDULE – NON-FIRM PRICES (PURCHASES)

**NOTE: PRICE ADJUSTMENTS WILL BE ALLOWED AT THE PERIODS AND TIMES SPECIFIED IN THE BIDDING DOCUMENTS.**

**IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT**

|                          |                   |
|--------------------------|-------------------|
| Name of Bidder.....      | Bid number.....   |
| Closing Time 11:00 ..... | Closing date..... |

OFFER TO BE VALID FOR 90 DAYS FROM THE CLOSING DATE OF BID.

| ITEM NO.   | QUANTITY | DESCRIPTION | BID PRICE IN RSA CURRENCY<br>**(ALL APPLICABLE TAXES INCLUDED) |
|--|----------|-------------|--|
| <hr/>  |          |             |  |
| - Required by:                                     |          |             | .....  |
| - At:  |          |             | .....  |
|  |          |             |  |
| - Brand and model                                  |          |             | .....  |
| -  |          |             |  |
| - Country of origin                                |          |             | .....  |
|  |          |             |  |
| - Does the offer comply with the specification(s)? |          |             | *YES/NO  |
| - If not to specification, indicate deviation(s)   |          |             | .....  |
| - Period required for delivery                     |          |             | .....  |
| - Delivery:  |          |             | *Firm/not firm   |

\*\* "all applicable taxes" includes value- added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.

\*Delete if not applicable

## A NON-FIRM PRICES SUBJECT TO ESCALATION

- $$Pa = (1 - V)Pt \left( D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + D4 \frac{R4t}{R4o} \right) + VPt$$

|               |   |  |
|---------------|---|--|
| Pa            | = | The new escalated price to be calculated.  |
| (1-V)Pt       | = | 85% of the original bid price. <b>Note that Pt must always be the original bid price and not an escalated price.</b>                             |
| D1, D2..      | = | Each factor of the bid price eg. labour, transport, clothing, footwear, etc. The total of the various factors D1, D2...etc. must add up to 100%. |
| R1t, R2t..... | = | Index figure obtained from new index (depends on the number of factors used).  |
| R1o, R2o      | = | Index figure at time of bidding.   |
| VPt           | = | 15% of the original bid price. This portion of the bid price remains firm i.e. it is not subject to any price escalations.                       |

- Index..... Dated.....      Index..... Dated.....      Index..... Dated.....  
Index..... Dated.....      Index..... Dated.....      Index..... Dated.....

- [illegible]

**B PRICES SUBJECT TO RATE OF EXCHANGE VARIATIONS**

1. Please furnish full particulars of your financial institution, state the currencies used in the conversion of the prices of the items to South African currency, which portion of the price is subject to rate of exchange variations and the amounts remitted abroad.

| PARTICULARS OF FINANCIAL INSTITUTION | ITEM NO | PRICE | CURRENCY | RATE | PORTION OF PRICE SUBJECT TO ROE | AMOUNT IN FOREIGN CURRENCY REMITTED ABROAD |
|--------------------------------------|---------|-------|----------|------|---------------------------------|--|
|                                      |         |       |          | ZAR= |                                 |  |
|                                      |         |       |          | ZAR= |                                 |  |
|                                      |         |       |          | ZAR= |                                 |  |
|                                      |         |       |          | ZAR= |                                 |  |
|                                      |         |       |          | ZAR= |                                 |  |
|                                      |         |       |          | ZAR= |                                 |  |

2. Adjustments for rate of exchange variations during the contract period will be calculated by using the average monthly exchange rates as issued by your commercial bank for the periods indicated hereunder: (Proof from bank required)

| AVERAGE MONTHLY EXCHANGE RATES FOR THE PERIOD: | DATE DOCUMENTATION MUST BE SUBMITTED TO THIS OFFICE | DATE FROM WHICH NEW CALCULATED PRICES WILL BECOME EFFECTIVE | DATE UNTIL WHICH NEW CALCULATED PRICE WILL BE EFFECTIVE |
|--|---|---|---|
|  |   |   |   |
|  |   |   |   |
|  |   |   |   |

## 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 interest<sup>1</sup> in the enterprise, employed by the state? **YES/NO**

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

| Full Name | Identity Number | Name of State institution |
|-----------|-----------------|---------------------------|
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |

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

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

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

2.2.1 If so, furnish particulars:

.....  
 .....

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

2.3.1 If so, furnish particulars:

.....  
 .....

### 3 DECLARATION

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

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium<sup>2</sup> will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring

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



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                                   | 20         |
| <b>Total points for Price and SPECIFIC GOALS</b> | <b>100</b> |

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 PREFERENCE POINT SYSTEMS

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

|   |           |              |  |
|---|-----------|--------------|--|
| <b>80/20</b>  | <b>or</b> | <b>90/10</b> |  |
| $Ps = 80 \left( 1 - \frac{Pt - Pmin}{Pmin} \right) \text{ or } Ps = 90 \left( 1 - \frac{Pt - Pmin}{Pmin} \right)$ |           |              |  |

Where

- Ps = Points scored for price of tender under consideration
- Pt = Price of tender under consideration
- Pmin = Price of lowest acceptable tender

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

#### 3.2.1. POINTS AWARDED FOR PRICE

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

$$\begin{array}{ccc} 80/20 & \text{or} & 90/10 \\ Ps = 80 \left( 1 + \frac{Pt - P_{max}}{P_{max}} \right) & \text{or} & Ps = 90 \left( 1 + \frac{Pt - P_{max}}{P_{max}} \right) \end{array}$$

Where

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

#### 4. POINTS AWARDED FOR SPECIFIC GOALS

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

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

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

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

| The specific goals allocated points in terms of this tender   | Number of points allocated (80/20 system) (To be completed by the organ of state) | Number of points claimed (80/20 system) (To be completed by the tenderer) |
|---|---|---|
| Organizations which are 51% owned by people who are woman   | 4   |   |
| Organisations which are 51% owned by black people(as per the definition in the B-BBEE Act 53 of 2003)         | 4   |   |
| Organizations which are 51% owned by persons with disability  | 4   |   |
| Organizations which are owned 51% by Military Veterans ( <b>in line with the Military Act No 18 of 2011</b> ) | 4   |   |
| Organizations which are 51% owned by youth  | 2   |   |
| Organizations which are 51% owned located within certain Municipality   | 2   |   |
| <b>TOTAL POINTS</b>   | <b>20</b>   |   |

#### 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.

|   |                                  |
|---|----------------------------------|
| .....<br><b>SIGNATURE(S) OF TENDERER(S)</b> |                                  |
| <b>SURNAME AND NAME:</b>                    | .....                            |
| <b>DATE:</b>                                | .....                            |
| <b>ADDRESS:</b>                             | .....<br>.....<br>.....<br>..... |



**military veterans**

Department:  
Military Veterans  
REPUBLIC OF SOUTH AFRICA

Private Bag X 943 Pretoria 0001 328 Festival Street Hatfield

## REQUEST FOR BID

**Bid NO.: DMV/BID/05/2024/25**

**APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE SCANNING, IMAGING AND INDEXING, AS WELL AS HANDLING, MANAGEMENT AND OFFSITE STORAGE FOR DEPARTMENT OF MILITARY VETERANS (DMV) PHYSICAL RECORDS FOR A PERIOD OF THIRTY SIX (36) MONTHS.**

|   |      |
|---|------|
| NAME OF BIDDER  |      |
| TOTAL BID PRICE ( all inclusive)  | R    |
| VAT NUMBER (if registered for VAT)                                      |      |
| SUPPLIER CSD REGISTRATION NUMBER  | MAAA |
| TAX COMPLIANCE STATUS PIN<br>(to verify bidder's tax compliance status) |      |
| FORCE AND ID NUMBERS (For Military Veterans)                            |      |

**CLOSING DATE: 31/01/2025**

**QUOTATIONS MUST BE SUBMITTED IN THE BID BOX AT 328 FESTIVAL STREET, HATIFIELD, PRETORIA, 0083**

**BIDDER'S SIGNATURE: \_\_\_\_\_**

# **TERMS OF REFERENCE TO APPOINT A SERVICE PROVIDER TO PROVIDE SCANNING, IMAGING AND INDEXING, AS WELL AS HANDLING, MANAGEMENT AND OFFSITE STORAGE FOR DEPARTMENT OF MILITARY VETERANS (DMV) PHYSICAL RECORDS FOR A PERIOD OF THIRTY SIX (36) MONTHS**

## **1. PURPOSE**

- 1.1** To appoint a reputable, security cleared and experienced service provider with expertise in scanning, imaging and indexing documents, as well as handling, management and offsite storage of physical or paper records for a period of Thirty Six (36) months.

## **2. BACKGROUND**

- 2.1** The records management legislative framework and best practice and standards require that the Department keep records as per prescribed retention period and only destroy them according to proper procedures. Records are the final proof that business was conducted therefore records should remain unaltered over a specific period for as long as they are required from legal or continuity perspective since they are also part of the memory of the institution that created them.
- 2.2** The need for effective records management is further emphasized by the following legislative frameworks:-

### **The Constitution, 1996**

Section 195 of the Constitution provides amongst others for the:

- effective, economical and efficient use of resources;
- provision of timely, accessible and accurate information; and requires that
- the public administration must be accountable.

### **The Public Finance Management Act (Act No. 1 of 1999)**

The purpose of the Act is to regulate financial management in the public service and to prevent corruption, by ensuring that all governmental bodies manage their financial and other resources properly.

### **The National Archives and Records Service of South Africa Act (Act No. 43 of 1996, as amended)**

Section 13 of the Act contains specific provisions for efficient records management in governmental bodies. It provides for the National Archivist-

- to determine which record keeping systems should be used by governmental bodies;
- to authorize the disposal of public records or their transfer into archival custody; and
- to determine the conditions –
  - ❖ according to which records may be microfilmed or electronically reproduced;
  - ❖ according to which electronic records systems should be managed.

### **The National Archives and Records Service of South Africa Regulations (R158 of 20 November 2002)**

Part V: Management of Records contains the specific parameters within which the governmental bodies should operate regarding the management of their records.

**BIDDER'S SIGNATURE:** \_\_\_\_\_



# **TERMS OF REFERENCE TO APPOINT A SERVICE PROVIDER TO PROVIDE SCANNING, IMAGING AND INDEXING, AS WELL AS HANDLING, MANAGEMENT AND OFFSITE STORAGE FOR DEPARTMENT OF MILITARY VETERANS (DMV) PHYSICAL RECORDS FOR A PERIOD OF THIRTY SIX (36) MONTHS**

## **The Promotion of Access to Information Act (Act No. 2 of 2000)**

The purpose of the Act is to promote transparency, accountability and effective governance by empowering and educating the public –

1. to understand and exercise their rights;
2. to understand the functions and operation of public bodies; and
3. to effectively scrutinize, and participate in, decision-making by public bodies that affects their rights.

## **Disaster Management Amendment Act (Act No. 16 of 2015)**

The purpose of the Act is to provide for—

- an integrated and co-ordinated disaster management policy that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery and rehabilitation;
- the establishment and functioning of national, provincial and municipal disaster management centres; disaster management volunteers; and
- matters incidental thereto.”.

## **The Promotion of Administrative Justice Act (Act No. 3 of 2000)**

The purpose of the Act is to ensure that administrative action is lawful, reasonable and fair and properly documented. The Promotion of Administrative Justice Act imposes a duty on the state to ensure that administrative action is lawful, reasonable and procedurally fair; and everyone whose rights have been adversely affected by administrative action has the right to be given written reasons for such an action.

## **The Electronic Communications and Transactions Act (Act No. 25 of 2002)**

The purpose of the Act is to legalize electronic communications and transactions, and to built trust in electronic records. According to the Electronic Communications and Transactions Act data messages are legally admissible records, provided that their authenticity and reliability as true evidence of a transaction can be proven beyond any doubt. The evidential weight of the electronic records (including e-mails) would depend amongst others on the reliability of the manner in which the messages were managed by the originator and the receiver. Should bodies not have a properly enforced records management and e-mail policy and a reliable and secure record keeping system, they run the risk that the evidential weight of their electronic records (including e-mails) might be diminished.

- 2.3 Department of Military Veterans has an obligation to manage records properly in accordance with the National Archives and Records Service Act No. 43 of 1996. In line with the legislative provisions of section 13 of this Act, sound records management will promote transparency, accountability and better service delivery.

**TERMS OF REFERENCE TO APPOINT A SERVICE PROVIDER TO PROVIDE SCANNING, IMAGING AND INDEXING, AS WELL AS HANDLING, MANAGEMENT AND OFFSITE STORAGE FOR DEPARTMENT OF MILITARY VETERANS (DMV) PHYSICAL RECORDS FOR A PERIOD OF THIRTY SIX (36) MONTHS**

- 2.4 The Department of Military Veterans has over the years generated a lot of paper records that are currently occupying prime office space that had been converted into several storerooms. The current storage areas do not comply with the standard requirements of record storage as per National Archives and Records Act, therefore resulting in noncompliance with regard to records management legislative requirements as well as exposing the Department to possible number of risks such as disasters (fire, floods), theft and non-responsiveness to queries, litigation and so forth.

**3. SCOPE OF WORK**

The project is divided into two parts:

**PART A – DOCUMENT SCANNING, IMAGING AND INDEXING**

4. The successful service provide must:
- 4.1 Prepare all documents to be scanned – remove all staples, paper clips, tape or any other material that binds paper sheets together.
  - 4.2 Restore the documents to the same original form after scanning.
  - 4.3 Arrange the documents in correct order based on the specifications that will be agreed upon in the SLA.
  - 4.4 Exercise extreme care in handling delicate documents to avoid damage.
  - 4.5 Convert the original paper document into electronic format using effective, cost efficient, and technologically advanced document scanning solution.
  - 4.6 Verify and list all records prepared by DMV for scanning.
  - 4.7 Collect verified records from DMV to the scanning and storage facility.
  - 4.8 Secure DMV records while in transit to the scanning and storage facility to ensure their safe storage.
  - 4.9 Provide professional advice to DMV in line with best practice approaches to document scanning or digitization quality and related aspects.
  - 4.10 Provide training and capacity building to designated DMV officials in line with the scanning methodology and technology used.
  - 4.11 Adhere to the quality scanning standards set out by DMV in the SLA.
  - 4.12 Provide highly technical personnel to implement the scanning project and must also have trackable record of implementing document scanning/digitization and storage.
  - 4.13 Project Management team should ensure that scanned documents and restored files are quality assured
  - 4.14 Ensure that employees involved in scanning have the necessary security clearance to handle confidential documents.

**The scanning process**

- 4.15 All files are to be prepared for scanning to ensure removal of staples, clips, and other objects that may affect the scanning process.

**BIDDER'S SIGNATURE:** \_\_\_\_\_

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- 4.16 Document scanning will begin after successful completion of the sample testing phase.( To be moved in the SLA)
- 4.17 Thorough quality control process must be put in place to ensure acceptable quality of all images. DMV expect the following quality for all scanned documents:
  - 4.17.1 Data accuracy: 100%
  - 4.17.2 Scanning resolution
    - 4.17.2.1 Optical – 600 dpi or greater
    - 4.17.2.2 Black and white or grayscale output: 600 dpi or greater
    - 4.17.2.3 Colour output: 300 dpi or greater
  - 4.17.3 Output options:
    - 4.17.3.1 Black and white: 8 bit
    - 4.17.3.2 Colour: 24 bit
    - 4.17.3.3 Scanning Quality: 90% readable
    - 4.17.3.4 Search & Retrieve: less than 8 seconds
    - 4.17.3.5 Image Output: PDF/JPEG/TIFF
    - 4.17.3.6 OCR meeting acceptable Industry Standard

**The post scanning solution must provide among other capabilities:**

- 4.18 Password or biometric protected electronic repository where only duly authorised officials will have access.
- 4.19 A regular backup and recovery mechanism for the scanned documents.
- 4.20 Electronic lock feature for folders.
- 4.21 Workflow management for automating a process per folder.
- 4.22 Capability to upload a single or bulk scanned documents.
- 4.23 Capability to fix defectively scanned documents.
- 4.24 Capability to create a repository to be accessed simultaneously by multiple users
- 4.25 Capability to sign documents using digital signatures.
- 4.26 Must have a feature for automatic archiving.
- 4.27 Capability to index files.
- 4.28 Capability for email communication for e.g. need for the administrator to change password.
- 4.29 Capability for the administrator to create new user accounts with protected access levels.
- 4.30 Provide a robust search engine.

**BIDDER'S SIGNATURE:** \_\_\_\_\_

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- 4.31 Reporting mechanism e.g. counting all scanned documents
- 4.32 Web browser accessibility (Internet Explorer, Firefox, Chrome, Opera, Safari, Microsoft Edge, Brave, Vivaldi).
- 4.33 Limit login attempts to only three (3).

**DMV responsibilities will include:**

- 4.34 Provision of access to the documents to be scanned.
- 4.35 Assisting the service provider with listing of all documents to be scanned.
- 4.36 Provision of quality assurance of documents to be handed over to the service provider.
- 4.37 Handing over documents to be scanned to the service provider.
- 4.38 Availing officials to be trained.
- 4.39 Provision of a project manager to co-manage the project.
- 4.40 Change management issues

**PART B – STORAGE OF PHYSICAL RECORDS IN AN ARCHIVAL BUILDING**

- 5. The storage facility to be used must be in compliance with the National Archives and Records Services of South Africa (NARSSA) archival building norms and standards and at least meet the following fire safety and environmental requirements:

**Facility Requirements**

- 5.1 The storage facility must preferably be within 100KM radius of DMV headquarters.
- 5.2 The facility must have a controlled parking area.
- 5.3 The facility must be protected by an accredited security firm
- 5.4 There must be an intrusion detection system with central monitoring installed.
- 5.5 There must be visitor screening system.
- 5.6 The facility must have uninterrupted power supply system.
- 5.7 The facility should be natural disaster proof/ force majeure

**Fire Safety Requirements**

- 5.8 The facility must be constructed with non-combustible materials and building elements, including walls, columns and floors.
- 5.9 The roof must preferably be constructed of non-combustible material. Otherwise, if the roof is constructed of combustible material, it must be protected by a properly installed and maintained automatic sprinkler system.

**BIDDER'S SIGNATURE:** \_\_\_\_\_

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- 5.10 A facility with two or more floor levels must have been reviewed by a qualified fire protection engineer and structural engineer to avoid catastrophic failure of the structure due to an uncontrolled fire.
- 5.11 Building columns in records storage areas must be at least 1 hour fire resistant.
- 5.12 Open flame (oil or gas) unit heaters or equipment if used in any records storage area, must be used or installed in accordance with applicable or relevant legislation.
- 5.13 Battery charging areas for electric forklifts must be separated from records storage areas with at least 2 hour rated fire barrier wall.
- 5.14 The fire detection and protection system must have been designed or installed by a qualified fire protection engineer. All walls separating records storage areas from each other and from storage areas within the building must be at least 2 hour fire barrier walls.
- 5.15 Fire resistance rating of the roof must be a minimum of 1 hour.
- 5.16 All electrical wiring must be in metal conduit, except for those that use armored or flexible wiring.

**Environmental control requirements**

- 5.17 Paper-based records must be stored under environmental conditions that prevent active growth of mould, pests and plagues.
- 5.18 No direct sunlight must be allowed to shine on any records, switch lights must be kept off whenever nobody is present in the storage area.
- 5.19 Non-textual records, including microform, audio visuals and electronic records must be stored in a space that will ensure their preservation for their full life cycle.
- 5.20 Paper records must be stored in the space that provide 24 hour 365 days per annum air conditioning conditions equivalent to that required for office space.

**General considerations**

- 5.21 No records must be destroyed. Should a need arise to destroy records such an exercise will be done in accordance with DMV records management policy.
- 5.22 Vehicles used to transport records should be suitable and safe in such a way that records are protected from weather conditions.
- 5.23 Damage to the records and files due to unforeseen circumstances should be reported to the DMV immediately in writing.
- 5.24 Site inspection will be conducted prior awarding.

**BIDDER'S SIGNATURE:** \_\_\_\_\_

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**6. EVALUATION CRITERIA**

| CRITERIA  | REQUIREMENT   |
|---|---|
| <b>Pre-compliance criteria and Mandatory Requirements (Phase 1)</b> | Bidders must submit all documents as outlined. Only bidders that comply with ALL the criteria will be evaluated on price and specific goals.<br>Bidders will be <b>disqualified</b> if not complying with mandatory requirements  |
| <b>Functionality (Phase 2)</b>                                      | Bidders must submit all documents as outlined. The minimum score required for functionality is <b>70 points</b> in order to qualify for further evaluation. A bidder who scores less than <b>70 points</b> on functionality will be disqualified and not be evaluated further on Price and Specific Goals |
| <b>Price and Specific Goals (Phase 3)</b>                           | The lowest bidder will be allocated <b>80 points</b> . Bidders that quoted higher prices will score lower points for price on a pro-rata basis. The points scored for price will be added to the points scored for Specific goals to obtain the bidder's total points scored out of <b>100</b>            |

**6.1 Phase 1: Pre-Compliance Evaluation**

**6.1.1 Submission of documents**

| Documents that must be submitted  | Non-submission will result in disqualification | Requirement  |
|---|--|--|
| Invitation to Bid – SBD 1   | <b>YES</b>                                     | Must be fully completed, signed by the authorized person and submitted with the bid by the closing date and time   |
| Pricing Schedule- SBD 3.1   | <b>NO</b>                                      | Must be fully completed by the authorized person and submitted with the bid by the closing date and time.  |
| Pricing Schedule- SBD 3.2   | <b>NO</b>                                      | Must be fully completed, signed by the authorized person and submitted with the bid by the closing date and time. Non- completion bidder will not be able to escalate price or variation of Order when there is inflation. |
| Declaration of Interest – SBD 4   | <b>YES</b>                                     | Must be fully completed, signed by the authorized person and submitted with the bid by the closing date and time. <b>Circle the correct answer applicable to you.</b>  |
| Preference Points Claim Form in terms of Preferential Procurement Regulations 2022- SBD 6.1 | <b>NO</b>                                      | Non- completion or claiming on this form will lead to a zero (0) score on Specific Goals   |

**BIDDER'S SIGNATURE:** \_\_\_\_\_

**TERMS OF REFERENCE TO APPOINT A SERVICE PROVIDER TO PROVIDE SCANNING, IMAGING AND INDEXING, AS WELL AS HANDLING, MANAGEMENT AND OFFSITE STORAGE FOR DEPARTMENT OF MILITARY VETERANS (DMV) PHYSICAL RECORDS FOR A PERIOD OF THIRTY SIX (36) MONTHS**

|  |            |   |
|--|------------|---|
| Specific Goals   | <b>NO</b>  | <p>Bidders Should submit the required documents together with their tenders to substantiate their specific goals claims.</p> <p>Failure to submit will lead to zero (0) score on specific goals points.</p> <p>NB: THE DEPARTMENT WILL PRINT CSD REPORTS FROM CENTRAL SUPPLIER DATABASE FOR VERIFICATION.</p> |
| Specification  | <b>YES</b> | Must be fully completed, priced and signed by the authorized person and submitted with the bid by the closing date and time   |
| Service Provider need to have at least 5 years of experience in the scanning, imaging and indexing, as well as handling, management and offsite storage                    | <b>YES</b> | Attach reference letter for previous work done  |
| Certified copies (not older than 6 months) of valid Compensation for Occupational Injuries and Diseases Act (COIDA)  | <b>YES</b> | Must be submitted with the proposal   |
| Letter of compliance from National Archives and Records Services of South Africa   | <b>YES</b> | Must be submitted with the proposal   |
| Proof of insurance certificate/ Public liability to the value of R3 million  | <b>YES</b> | Must be submitted with the proposal   |
| Certificate/Report issued by the professional engineers on: <ul style="list-style-type: none"> <li>- Building structure</li> <li>- Fire</li> <li>- Pest Control</li> </ul> | <b>YES</b> | Must be submitted with the proposal   |
| Proof of physical security on premises   | <b>YES</b> | Attach agreement with the security provider.  |

**NB:** The DMV will verify the following.

**BIDDER'S SIGNATURE:** \_\_\_\_\_

**TERMS OF REFERENCE TO APPOINT A SERVICE PROVIDER TO PROVIDE SCANNING, IMAGING AND INDEXING, AS WELL AS HANDLING, MANAGEMENT AND OFFSITE STORAGE FOR DEPARTMENT OF MILITARY VETERANS (DMV) PHYSICAL RECORDS FOR A PERIOD OF THIRTY SIX (36) MONTHS**

| CRITERIA                                 | REQUIREMENT   |
|--|---|
| Business registration                    | Entity must be in business  |
| In the service of the state status       | Bid will not be considered if Shareholders or Directors are employed by state /government departments, municipalities, municipal entities, public entities. |
| Tender defaulting and restriction status | Entity and directors must not be restricted   |
| Tax compliance status                    | Entity must be Tax complaint  |

**Failure to comply with the above requirement will lead to disqualification**

## 6.2 Phase 2 -Evaluation of Functionality

6.2.1 The evaluation of the functionality will be in accordance with the below functionality criteria and values.

**0 = non-compliance; 1 = Poor, 2 = Average, 3 = Good, 4 = Very good & 5 = Excellent**

| Evaluation Criteria   | Guideline for evaluation criteria  | Weight |
|---|--|--------|
| Company experience in scanning, imaging and indexing, handling and management of records and provision of archiving storage (Attach signed reference letters for similar work done in the past 5 years) | Above 5 years = 5 points<br>5 years = 4 points<br>4 years = 3points<br>3 years = 2 points<br>2 Years = 1 point<br>Less than 2 = 0  | 50%    |
| Proof of compliance in terms of security  | Physical security agreement with a PSIRA accredited service provide is attached =5<br><br>Physical security agreement with a PSIRA accredited service provide is not attached =0 | 20%    |
| Submit proposal with a detailed and signed Business Continuity Plan (Covering the following among others:<br><br>1. Loss of key premises  | No plan attached= 0<br><br>Only 1 plan attached= 1   | 30%    |

**BIDDER'S SIGNATURE:** \_\_\_\_\_



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|   |  |             |
|---|--|-------------|
| 2. Loss of key staff<br>3. Loss of IT data<br>4. Loss of Hard Data / Paper Record<br>5. Loss of utilities (Electricity, water and gas)<br>6. Loss of key partner or supplier<br>7. Disruption due to industrial action<br>8. Disruption due to severe weather<br>9. Business Recovery Strategy<br>Records Management Strategy (Covering the following among others):<br>10. Management of records<br>11. Classification of records<br>12. Filing system<br>13. General compliance to National Archives and Records Services of South Africa | Both plans attached covering less than 4 aspects of the Business Continuity Plan and Record Management Strategy and signed = 2<br><br>Both plans attached covering 7 aspects of the Business Continuity Plan and Record Management Strategy and signed = 3<br><br>Both plans attached covering 9 aspects of the Business Continuity Plan and Record Management Strategy and signed = 4<br><br>Both plans are attached and detailed (covering all the listed aspects of the Business Continuity Plan and Record Management Strategy) and signed = 5 |             |
|   |  | <b>100%</b> |

**NB//** The Service providers that fail to achieve a minimum of **70** points out of **100** points for functionality will be disqualified. This means that such bids will not be evaluated on the second stage (Preference Points System).

#### 6.4 Phase 4 Evaluation in terms of the price and 80/20 preference point systems

##### Step 1: Calculation of points for price

(a) The lowest acceptable bid will score 80 points for price. Bidders that quoted higher prices will score lower points for price on a pro-rata basis.

(b) The formulae to be utilized in calculating points scored for price are as follows:

**80/20 Preference point system [(for acquisition of services, works or goods up to a Rand value of R50 million) (inclusive of all applicable taxes)]**

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

Where

$P_s$  = Points scored for comparative price of bid or offer under consideration

$P_t$  = Comparative price of bid or offer under consideration

$P_{\min}$  = Comparative price of lowest acceptable bid or offer.

##### Step 2: Calculation of points for Specific goals

**BIDDER'S SIGNATURE:** \_\_\_\_\_

**TERMS OF REFERENCE TO APPOINT A SERVICE PROVIDER TO PROVIDE SCANNING, IMAGING AND INDEXING, AS WELL AS HANDLING, MANAGEMENT AND OFFSITE STORAGE FOR DEPARTMENT OF MILITARY VETERANS (DMV) PHYSICAL RECORDS FOR A PERIOD OF THIRTY SIX (36) MONTHS**

**Bidders should submit copies of their valid HDI Verification Documents as per table below to claim points. NON-SUBMISSION OF VERIFICATION DOCUMENTS WILL LEAD TO 0 POINTS.**

| Specific Goals   | Number of Points | Points claimed by the service providers |
|--|------------------|---|
| Organisations which are 51% owned by people who are woman  | 4                |   |
| Organisations which are 51% owned by Black people (As per the definition in the B-BBEE Act 53 of 2003) | 4                |   |
| Organisations which are 51% owned by persons with disability   | 4                |   |
| Organisations which are owned 51% by Military Veterans (in line with the Military Act No 18 Of 2011)   | 4                |   |
| Organization which are 51% owned by youth  | 2                |   |
| Organization which are 51% owned located within certain Municipality                                   | 2                |   |
| <b>TOTAL POINTS</b>  | <b>20</b>        |   |

**The Department will be responsible for printing CSD reports from Central Supplier Database and bidders against Military Veterans' Database.**

**NB: Specific points may be allocated to bidders on submission of the following documentation or evidence:**

- A duly completed Preference Point Claim Form: Standard Bidding Document (SBD 6.1);
- An original and valid 'B-BBBEE Status level Verification Certificate or certified copies thereof, issued by an accredited Verification Agencies by SANAS or Registered Auditors approved by Independent Regulatory Board of Auditors(IRBA) to substantiate their points. The Exempted Micro Enterprise (EME) and Qualifying Small Enterprise (QSE) must submit a sworn affidavit signed by Commissioner of Oaths.
- To claim for locality with certain Municipality/locality points, bidders must have the business operating within the boundaries of a specific geographic area, and a proof of address under the business's name shall be provided

**BIDDER'S SIGNATURE:** \_\_\_\_\_

**TERMS OF REFERENCE TO APPOINT A SERVICE PROVIDER TO PROVIDE SCANNING, IMAGING AND INDEXING, AS WELL AS HANDLING, MANAGEMENT AND OFFSITE STORAGE FOR DEPARTMENT OF MILITARY VETERANS (DMV) PHYSICAL RECORDS FOR A PERIOD OF THIRTY SIX (36) MONTHS**

where the bidders is an owner of the property. A valid lease agreement or a sworn affidavit from the property owner that the address used is rented out to the tenderer.

- To claim for disability points, the bidder must submit a copy of latest three months valid Medical report from Registered Medical practitioner, confirming the disability status.
- To claim for youth points, bidders may submit a certified copy of ID document.

**Step 3: Calculation of total points scored for price and Specific goals.**

The points scored for price will be added to the points scored for Specific goals to obtain the bidder's total points scored out of 100. The preferred bidders who scored the highest points will be awarded the bid.

**7. Inspection and Briefing session**

- 7.1 The Department of Military veterans will conduct a **site** inspection only for shortlisted Bidders prior to awarding this tender.
- 7.2 Bidders will be invited to attend a compulsory briefing session. Failure to attend will lead to disqualification. Compulsory briefing session to be held on **16 January 2025**

**8. The following conditions will apply:**

- 8.1 Awarding of the bid will be subject to the Service Provider's expressing acceptance of the Department of Military Veterans Supply Chain Management general contract conditions.
- 8.2 The Department reserves the right to terminate the contract in the event that there is clear evidence of non-performance, by the Service Provider.
- 8.3 This request is not an offer to purchase any services or materials, and the Department of Military Veterans will not incur or be liable for any costs associated with the preparation of this proposal.
- 8.4 Quotation should be on the entity's letterhead.
- 8.5 Price(s) quoted must be valid for at least ninety (90) days from date of your offer.
- 8.6 This quotation will be evaluated in terms of the 80/20 preference point system as prescribed in the Preferential Procurement Policy Framework Act (No 5 of 2000) and for this purpose the enclosed SBD forms must be scrutinized, completed and submitted together with your quotation.
- 8.7 The supplier should accept the General Conditions of Contract
- 8.8 Only price quotations from bidders registered on the Central Supplier Database (CSD) will be considered.

**BIDDER'S SIGNATURE:** \_\_\_\_\_

**TERMS OF REFERENCE TO APPOINT A SERVICE PROVIDER TO PROVIDE SCANNING, IMAGING AND INDEXING, AS WELL AS HANDLING, MANAGEMENT AND OFFSITE STORAGE FOR DEPARTMENT OF MILITARY VETERANS (DMV) PHYSICAL RECORDS FOR A PERIOD OF THIRTY SIX (36) MONTHS**

**9. Method of Payment**

- 9.1 The supplier shall furnish the Department with an invoice accompanied upon fulfilment of the other obligations stipulated in the contract.
- 9.2 Payment shall be made promptly by the Department, but in no case later than thirty (30) days after the submission of an invoice or claim by the supplier.
- 9.3 Payment will be made in Rands.

**10. ENQUIRIES**

| Query             | Name                                | Contact Details   |
|-------------------|-------------------------------------|---|
| Technical         | Ms Alettie Sutherland               | Email:<br><a href="mailto:Alettie.sutherland@dmv.gov.za">Alettie.sutherland@dmv.gov.za</a><br>Tel: 012-765 9466 |
| Quotation related | Ludwe Peter - Bid related enquiries | <a href="mailto:Ludwe.Peter@dmv.gov.za">Ludwe.Peter@dmv.gov.za</a>  |

**11. PRICE**

- 11.1 Service providers are required to provide prices in line with the table below. The quantities listed below are based on the number of records currently in the Department of Military Veterans storage. It should be noted that the quantities may change on a need basis during the contract period i.e. will increase if DMV creates more records or decrease if DMV destruct the records or remove the records from off-site storage for any reason.

- 11.2 All prices must be VAT inclusive.

**NB//** If prices are not firm for the full duration of the contract, provide details of the basis on which price adjustment shall be applied e.g. CPI

**11.3 BILL OF QUANTITIES.**

Below are estimated quantities of the work to be done over the period of three years

| Description       |        | Box size | Estimated Number of boxes | Rate per box per day | Monthly storage fee | Annual storage fee |
|-------------------|--------|----------|---------------------------|----------------------|---------------------|--------------------|
| Records storage   | Year 1 | M2       | 2224                      | R                    | R                   | R                  |
|                   | Year 2 |          | 2448                      | R                    | R                   | R                  |
|                   | Year 3 |          | 2692                      | R                    | R                   | R                  |
| TOTAL VAT INCL. = |        |          |                           |                      |                     | R                  |

**Other costs**

| Description | Estimated Quantity | Unit Price | Total |
|-------------|--------------------|------------|-------|
|-------------|--------------------|------------|-------|

**BIDDER'S SIGNATURE:** \_\_\_\_\_

**TERMS OF REFERENCE TO APPOINT A SERVICE PROVIDER TO PROVIDE SCANNING, IMAGING AND INDEXING, AS WELL AS HANDLING, MANAGEMENT AND OFFSITE STORAGE FOR DEPARTMENT OF MILITARY VETERANS (DMV) PHYSICAL RECORDS FOR A PERIOD OF THIRTY SIX (36) MONTHS**

|                               |                 |  |          |
|-------------------------------|-----------------|--|----------|
| Scanning/Imaging fee per page | 4 209 000 pages |  | R        |
| Indexing fee per page         | 4 209 000 pages |  | R        |
| Handling fee per file         | 135 350 files   |  | R        |
| Retrieval fee per file        | When needed     |  | R        |
| Empty box fee                 | If needed       |  | R        |
| File cover fee                | If needed       |  | R        |
| <b>TOTAL VAT INCL. =</b>      |                 |  | <b>R</b> |

It is requested that an explicit pricing be made visible in terms of all of the above.

**Transport cost**

Specify kilometres from the service provider's off-side storage to DMV offices at Hatfield ..... km

To be dealt with at applicable AA rates

| Description                      | Rate |   |
|----------------------------------|------|---|
| Schedule delivery rate per km    | R    |   |
| Unscheduled delivery rate per km | R    |   |
| TOTAL VAT INCL. =                |      | R |

NB: Prices should be inclusive of all expenditures and applicable taxes.

**TOTAL BID PRICE:** \_\_\_\_\_

**TOTAL NUMBER OF ITEMS OFFERED** \_\_\_\_\_

**DELIVERY PERIOD:** \_\_\_\_\_

\_\_\_\_\_  
**SIGNATURE OF BIDDER**

**DATE:** \_\_\_\_\_

**BIDDER'S SIGNATURE:** \_\_\_\_\_

# **THE NATIONAL TREASURY**

**Republic of South Africa**



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

**July 2010**

**GOVERNMENT PROCUREMENT**  
**GENERAL CONDITIONS OF CONTRACT**  
**July 2010**

**NOTES**

The purpose of this document is to:

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

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

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

## TABLE OF CLAUSES

|     |   |
|-----|---|
| 1.  | Definitions   |
| 2.  | Application   |
| 3.  | General   |
| 4.  | Standards   |
| 5.  | Use of contract documents and information; inspection |
| 6.  | Patent rights   |
| 7.  | Performance security                                  |
| 8.  | Inspections, tests and analysis                       |
| 9.  | Packing   |
| 10. | Delivery and documents                                |
| 11. | Insurance   |
| 12. | Transportation  |
| 13. | Incidental services                                   |
| 14. | Spare parts   |
| 15. | Warranty  |
| 16. | Payment   |
| 17. | Prices  |
| 18. | Contract amendments                                   |
| 19. | Assignment  |
| 20. | Subcontracts  |
| 21. | Delays in the supplier's performance                  |
| 22. | Penalties   |
| 23. | Termination for default                               |
| 24. | Dumping and countervailing duties                     |
| 25. | Force Majeure   |
| 26. | Termination for insolvency                            |
| 27. | Settlement of disputes                                |
| 28. | Limitation of liability                               |
| 29. | Governing language                                    |
| 30. | Applicable law  |
| 31. | Notices   |
| 32. | Taxes and duties                                      |
| 33. | National Industrial Participation Programme (NIPP)    |
| 34. | Prohibition of restrictive practices                  |



## **General Conditions of Contract**

### **1. Definitions**

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

RSA.

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

obligations of the supplier covered under the contract.

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

**2. Application**

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

**3. General**

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

**4. Standards**

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

**5. Use of contract documents and information; inspection.**

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

**6. Patent rights**

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

**7. Performance security**

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

**8. Inspections, tests and analyses**

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

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

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

## **9. Packing**

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

## **10. Delivery and documents**

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

## **11. Insurance**

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

## **12. Transportation**

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

## **13. Incidental services**

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

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

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

#### **14. Spare parts**

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

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

#### **15. Warranty**

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

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

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

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

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

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

**16. Payment**

- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

**17. Prices**

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

**18. Contract amendments**

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

**19. Assignment**

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

**20. Subcontracts**

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

**21. Delays in the supplier's performance**

- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the

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

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

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

## **22. Penalties**

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

## **23. Termination for default**

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

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

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

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

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



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

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

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

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

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

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

#### **24. Anti-dumping and countervailing duties and rights**

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

may be due to him

**25. Force Majeure**

- 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

**26. Termination for insolvency**

- 26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

**27. Settlement of Disputes**

- 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5 Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
  - (b) the purchaser shall pay the supplier any monies due the supplier.

**28. Limitation of liability**

- 28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;
- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

|  |      |  |
|--|------|--|
|  |      | (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.  |
| <b>29. Governing language</b>                                | 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.   |
| <b>30. Applicable law</b>                                    | 30.1 | The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.  |
| <b>31. Notices</b>   | 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.   |
| <b>32. Taxes and duties</b>                                  | 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.  |
| <b>33. National Industrial Participation Programme (NIP)</b> | 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.  |
| <b>34 Prohibition of Restrictive practices</b>               | 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.