

## PART A INVITATION TO BID

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)</b>					
BID NUMBER:	DBE187	CLOSING DATE:	15 MAY 2023	CLOSING TIME:	11:00
DESCRIPTION	APPOINTMENT OF A TRAVEL MANAGEMENT COMPANY (TMC) TO PROVIDE TRAVEL AND ACCOMODATION SERVICES FOR THE DEPARTMENT OF BASIC EDUCATION FOR A PERIOD OF 3 YEARS.				
<b>BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)</b>					
MAIN ENTRANCE / RECEPTION, SOL PLAAJIE HOUSE					
DEPARTMENT OF BASIC EDUCATION					
222 STRUBEN STREET					
PRETORIA					
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO</b>			<b>TECHNICAL ENQUIRIES MAY BE DIRECTED TO:</b>		
CONTACT PERSON	Ms N Metula		CONTACT PERSON	Ms M Ntloana	
TELEPHONE NUMBER	012 357 3134		TELEPHONE NUMBER	012 357 3114	
FACSIMILE NUMBER	N/A		FACSIMILE NUMBER	N/A	
E-MAIL ADDRESS	tenders@dbe.gov.za		E-MAIL ADDRESS	Ntloana.m@dbe.gov.za	
<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 [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
<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

#### 1. BID SUBMISSION:

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**
- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
- 1.4. **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

#### 2. TAX COMPLIANCE REQUIREMENTS

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE [WWW.SARS.GOV.ZA](http://WWW.SARS.GOV.ZA).
- 2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
- 2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

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

SIGNATURE OF BIDDER:

.....

CAPACITY UNDER WHICH THIS BID IS SIGNED:

(Proof of authority must be submitted e.g. company resolution)

.....

DATE:

.....

## **NOTICE TO ALL PROSPECTIVE BIDDERS**

**BID NO : DBE187**  
**CLOSING DATE :15 May 2023**  
**TIME : 11:00**

**A compulsory briefing session will be held as follows**

**DATE :24 April 2023**  
**VENUE : Department of Basic  
Education 222 Struben,  
Street, Pretoria Conference  
Centre**  
**TIME : 10:00 until 11:00**  
**CONTACT PERSON : Mr Derrick Moukangwe**  
**TEL : (012) 357 3133**

**TERMS OF REFERENCE FOR APPOINTMENT OF A TRAVEL MANAGEMENT COMPANY (TMC) TO PROVIDE TRAVEL AND ACCOMMODATION SERVICES FOR THE DEPARTMENT OF BASIC EDUCATION (DBE) FOR A PERIOD OF 3 YEARS**

**1. AIM**

- 1.1 The purpose of this Terms of Reference (TOR) is to appoint the Travel Management Company (TMC) which will provide travel management services to the Department of Basic Education (DBE) over a three-year period.
- 1.2 This TOR document details and incorporates, the tasks and responsibilities of the potential bidder required by DBE for the provision of traditional or business travel management services to the DBE (excluding conferencing and events).
- 1.3 This TOR does not constitute an offer to do business with the DBE, but merely serves as an invitation to bidder(s) to facilitate a requirements-based decision process.

**2. BACKGROUND**

- 2.1 The Department is looking to appoint a TMC that can be able to render services of travel and accommodation bookings domestically and internationally for a period of three years.

**3. SCOPE OF WORK**

- 3.1 The DBE requires that the TMC will provide official travel and accommodation services to the DBE officials for official purposes which is arranged by an in-house travel agent. These arrangements will exclude requests for conferences/events (Professional Conference Organizing).

- 3.2 Provide the DBE with travel management services that are consistent and reliable and will maintain a high level of traveler satisfaction in line with service levels;
- 3.3 Achieve significant cost savings for DBE without any degradation in the services; and
- 3.4 Appropriately contain the DBE's risk and traveler risk.

#### **4. DELIVERABLES AND TIME FRAMES**

- 4.1 The Service Provider or Consortium will be required to deliver the identified deliverables within the DBE environment.

#### **5. DURATION OF THE PROJECT**

- 5.1 The duration of the project will be three years from the date agreed upon by the two parties.

#### **6. SERVICE REQUIREMENTS**

##### **6.1 General**

The TMC will be required to provide travel management services. Deliverables under this section include without limitation, the following:

- a. Travel services will be provided to all travellers travelling on behalf of the DBE, locally and internationally. This will include employees and contractors, consultants and clients where the agreement is that DBE is responsible for the arrangement and cost of travel.
- b. Provide in-house travel management services during normal office hours (Monday to Friday 8h00 – 17h00) and provide after hours and emergency services as stipulated in paragraph 6.6.

- c. Familiarisation with current DBE travel business processes.
- d. Familiarisation with current travel suppliers and negotiated agreements that are in place between the DBE and third parties. Assist with further negotiations for better deals with travel service providers.
- e. Familiarisation with the current DBE Travel Policy and implementation of controls to ensure compliance.
- f. Penalties incurred as a result of the inefficiency or fault of a travel consultant will be for the TMC's account (i.e. Agency Debit Memo {ADM's}), subject to the outcome of a formal dispute process.
- g. Provide a facility for the DBE to update their travellers' profiles on a continuous basis.
- h. Manage third party service providers by addressing service failures and complaints against these service providers.
- i. Consolidate all invoices received from travel suppliers.
- j. Provide a detailed transition plan for implementing the service without service interruptions and engage with the incumbent service provider, with the project manager to ensure a smooth transition.

## **6.2 Reservations**

### **6.2.1 The Travel Management Company will:**

- a. Receive travel requests from travellers and/or travel bookers, respond with quotations (confirmations) and availability. Upon the receipt of the relevant approval, the travel agent will issue the required e-tickets and vouchers immediately and send it to the travel booker and traveller via the agreed communication medium which is email and the SMS.
- b. Always endeavour to make the most cost-effective travel arrangements based on the request from the traveller and/or travel booker.
- c. Apprise themselves of all travel requirements for destinations to which travellers will be travelling and advice the traveller of alternative plans that are more cost effective and more convenient where necessary. The travel

consultant must ensure that they have obtained all information possible to make cost effective bookings for travellers.

- d. Book the negotiated discounted fares and rates where possible.
- e. Keep abreast of carrier schedule changes as well as all other alterations and new conditions affecting travel and make appropriate adjustments for any changes in flight schedules prior to or during the traveller's official trip. When necessary, e-tickets and billing shall be modified and reissued to reflect these changes.
- f. Respond timely and process all queries, requests, changes and cancellations timeously and accurately.
- g. Facilitate group bookings (e.g. memo discussions and moderation for the NCS exams).
- h. Issue all necessary travel documents, itineraries and vouchers timeously to traveller(s) and travel booker(s) prior to departure dates and times.
- i. Advise the traveller of all visa and inoculation requirements well in advance for international travel.
- j. Assist with the arrangement of foreign currency and the issuing of travel insurance for international trips where required.
- k. Facilitate any and all reservations that are not bookable on the Global Distribution System (GDS).
- l. Negotiate airline fares, accommodation establishment rates, car rental rates, shuttle rates, etc., that are negotiated directly or established by National Treasury.
- m. Ensure confidentiality in respect of all travel arrangements, all information shared and concerning all persons requested by DBE.
- n. Submit proof timeously that services have been satisfactorily delivered (invoices) as per DBE's instructions.
- o. Note that, everything stated above relates to domestic, regional and international travel bookings.

6.2.2 Visa applications will not be the responsibility of the TMC however, the relevant information must be submitted to the traveller(s) and the travel booker(s) where visas will be required.

### **6.3 Air Travel**

- a. The TMC must be able to book full service carriers as well as low cost carriers.
- b. The TMC will book the most cost effective airfares possible for domestic travel.
- c. For international flights, the airline which provides the most cost effective and practical routings may be used.
- d. The TMC should obtain three or more price comparisons where applicable to present the most cost effective and practical routing to the traveller.
- e. The airline ticket should include the applicable airline agreement number as well as the individual loyalty program number of the Traveller (if applicable).
- f. Airline tickets must be delivered electronically (SMS and email format) to the traveller(s) and travel bookers (only email) promptly after booking before the departure times.
- g. The TMC will be responsible for the tracking and management of unused e-tickets as per agreement with the institution and provide a report on refund management once a quarter.
- h. The TMC must during their report period provide proof that bookings were made against the discounted rates on the published fares where applicable.
- i. Ensure that travellers and travel bookers are always informed of any travel news regarding airlines (like baggage policies, checking in arrangements, etc.).
- j. Assist with lounge access if and when required.



#### **6.4 Accommodation**

- a. The TMC will obtain price comparisons within the maximum allowable rate matrix as per the cost containment instruction of the National Treasury.
- b. The TMC will obtain three price comparisons from accommodation establishments that provide the best available rate within the maximum allowable rate and that is located as close as possible to the venue or office or location or destination of the traveller.
- c. This includes planning, booking, confirming and amending of accommodation with any establishment (hotel group, private hotel, guest house or Bed & Breakfast) in accordance with DBE's travel policy and National Treasury guidelines and instructions.
- d. It is a must that DBE travellers are booked at accommodation establishments with which DBE or National Treasury has negotiated corporate rates. Should there be no rate agreement in place in the destination, or should the contracted establishment be unable to accommodate the traveller, the TMC will source suitable accommodation bearing in mind the requirement of convenience for the traveller and conformation with acceptable costs, or as stipulated in written directives issued from time to time by the National Treasury or DBE. It is further advisable for the TMC to have a database of accommodation properties in rural areas.
- e. Accommodation vouchers must be issued to all DBE travellers and travel bookers for accommodation bookings and must be invoiced to the DBE as per arrangement. Such invoices must be supported by a copy of the original hotel accommodation charges.
- f. The TMC must, during their report period, provide proof, where applicable, that accommodation rates were booked within the maximum allowable rates as per the cost containment instruction of the National Treasury.
- g. Cancellation of accommodation bookings must be done promptly to guard against no shows and late cancellation fees according to the institutions' cancellation policies. Travel consultants should inform travellers and travel

bookers of such cancellation policies. The risk for cancellation and penalties will be incurred by the TMC.

## **6.5 Car Rental and Shuttle Services**

- a. The TMC will book the approved category vehicle in accordance with the DBE Travel Policy and National Treasury guidelines and instructions, with the appointed car rental service provider from the closest rental location (airport, hotel and venue).
- b. The travel consultant should advise the Traveller on the best time and location for collection and return considering the Traveller's specific requirements. Travel consultants must advise travellers and travel bookers of collection and delivery fees of rental vehicles.
- c. The TMC must ensure that relevant information is shared with travellers regarding rental vehicles, like e-tolls, refuelling, keys, rental agreements, damages and accidents, etc.
- d. For international travel the TMC must offer alternative ground transportation to the traveller that must include rail, buses and transfers.
- e. The TMC will book transfers/shuttles in line with the DBE Travel Policy and National Treasury guidelines and instructions with the appointed and/or alternative service providers. Transfers/shuttles can also include bus and coach services as well as minibus shuttles and train bookings.
- f. The TMC should manage shuttle companies on behalf of the DBE and ensure compliance with minimum standards of the industry as well as with the DBE's procurement policies. The TMC should also assist in negotiating better rates with relevant shuttle companies.
- g. The TMC must during their report period provide proof that negotiated rates were booked, where applicable.

## **6.6 After Hours and Emergency Services**

- a. The TMC must provide a consultant or team of consultants to assist Travellers with after hours and emergency reservations and changes to travel plans.
- b. A dedicated consultant/s must be available to assist VIP/Executive Travellers with after hour or emergency assistance.
- c. After hours' services must be provided from Monday to Friday outside the official hours (17h00 to 8h00) and twenty-four (24) hours on weekends and Public Holidays.
- d. A call centre facility or after hours contact number should be available to all travellers so that when required, unexpected changes to travel plans can be made and emergency bookings attended to.
- e. The Travel Management Company must have a standard operating procedure for managing after hours and emergency services.
- f. A WhatsApp number must be provided to facilitate smooth continuous communication.

## **6.7 Communication**

- 6.7.1 The TMC must conduct workshops and training sessions for travel bookers of DBE. The TMC must also assist in conducting travel surveys bi-annually.
- 6.7.2 All enquiries must be investigated and prompt feedback must be provided in accordance with the Service Level Agreement.
- 6.7.3 The TMC must ensure immediate communication with all stakeholders by linking the business traveller, travel co-ordinator and TMC in one smooth continuous workflow.

## **6.8 Financial Management**

- 6.8.1 The TMC must implement the rates negotiated by DBE and the National Treasury with travel service providers or the discounted air fares, or the maximum allowable rates established by the National Treasury where applicable.

6.8.2 The TMC will be responsible to manage the service provider accounts. This will include the timely receipt of invoices to be presented to DBE for payment.

6.8.3 Where pre-payments are required for smaller Bed & Breakfast /Guest House facilities, these will be processed by the TMC. These are occasionally required at short notice and even for same day payments.

6.8.4 The TMC must consolidate Travel Supplier bill-back invoices.

6.8.5 The TMC is responsible for the consolidation of invoices and supporting documentation to be provided to DBE's Travel Office according to agreed timeframes (e.g. weekly). This includes attaching the Travel Authorisation or Purchase Order and other supporting documentation to the invoices reflected on the Service provider bill-back report or the credit card statement.

6.8.6 Ensure Travel Supplier accounts are settled timeously within 30 days.

## **6.9 Technology, Management Information and Reporting**

6.9.1 The TMC must have the capability to consolidate all management information related to travel expenses into a single source document with automated reporting tools.

6.9.2 All management information and data input must be accurate.

6.9.3 Reports must be accurate and must be provided as per DBE's specific requirements at the agreed time. Information must be available on a transactional level that reflects detail including the name of the traveller, date of travel, spend category (example air travel, shuttle, accommodation) and other applicable details, like travel order numbers and costs centres.

6.9.4 The DBE may request the TMC to provide additional management reports.

6.9.5 Reports must be available in an electronic format for example Microsoft Excel.

6.9.6 Service Level Agreements reports must be provided on the agreed date. It will include but will not be limited to the following:

a) Travel

- b) After hours' Report;
- c) Compliments and complaints;
- d) Consultant Productivity Report;
- e) Long term accommodation and car rental;
- f) Extension of business travel to include leisure;
- g) Upgrade of class of travel (air, accommodation and ground transportation);  
and
- h) Bookings outside Travel Policy.

#### **6.9.7 Finance**

- a) Reconciliation of commissions/rebates or any volume driven incentives;
- b) Creditor's ageing report;
- c) Creditor's summary payments;
- d) Daily invoices;
- e) No show report;
- f) Cancellation report;
- g) Receipt delivery report;
- h) Monthly Bank Settlement Plan (BSP) Report;
- i) Refund Log;
- j) Open voucher report, and
- k) Open Age Invoice Analysis.

6.9.8 The TMC will implement all the necessary processes and programs to ensure that all the data is secure at all times and not accessible to any unauthorised parties.

6.9.9 The TMC must have a detailed plan as backup should communication tools fail for e.g. the GDS, electricity, network, etc., like 3G/4G connectivity, faxing, etc.

## **6.10 Account Management**

- 6.10.1 An Account Management structure should be put in place to respond to the needs and requirements of the DBE and act as a liaison for handling all matters with regard to delivery of services in terms of the contract.
- 6.10.2 The TMC must appoint a dedicated Account and Operations (Travel)/Business Manager that is ultimately responsible for the management of the DBE's account.
- 6.10.3 The necessary processes should be implemented to ensure good quality management and ensuring Traveller satisfaction at all times.
- 6.10.4 A complaint handling procedure must be implemented to manage and record the compliments and complaints of the TMC and other travel service providers.
- 6.10.5 Ensure that the DBE's Travel Policy and National Treasury guidelines and instructions are enforced.
- 6.10.6 The Service Level Agreement (SLA) must be managed and customer satisfaction surveys conducted annually to measure the performance of the TMC.
- 6.10.7 Ensure that workshops and training are provided to Travellers and/or Travel Bookers.
- 6.10.8 During reviews, comprehensive reports on the travel spend and the performance in terms of the SLA must be presented.

## **6.11 Value Added Services**

The TMC must provide the following value-added services:

### **6.11.1 Destination information for regional and international destinations:**

- Health warnings;
- Road maps and/or directions;
- Weather forecasts;
- Places of interest;
- Visa information;
- Travel alerts;

- Location of hotels and restaurants;
- Information including the cost of public transport;
- Rules and procedures of the airports;
- Business etiquette specific to the country;
- Airline baggage policy; and
- Supplier updates

6.11.2 Electronic voucher retrieval via web and smart phones;

6.11.3 SMS notifications for travel confirmations;

6.11.4 Travel audits;

6.11.5 Global Travel Risk Management;

6.11.6 VIP services for Executives that include, but is not limited to check-in support and lounge access at airports; and

6.11.7 There must be a WhatsApp number to facilitate communication.

## **6.12 Cost Management**

6.12.1 The National Treasury cost containment initiative and the DBE's Travel Policy must be used to establish a basis for a cost saving culture.

6.12.2 It is the obligation of the TMC Consultant to advise on the most cost-effective option at all times, and costs should be within the framework of the National Treasury's cost containment instructions.

6.12.3 The TMC plays a pivotal role to provide high quality travel related services that are designed to strike a balance between effective cost management, flexibility and traveller satisfaction.

6.12.4 The TMC must have in-depth knowledge of the relevant supplier(s)' products, to be able to provide the best option and alternatives that are in accordance with DBE's Travel Policy to ensure that the Traveller reaches his/her destination safely, in reasonable comfort, with no disruption, cost effectively and in time to carry out his/her business.

## **6.13 Quarterly and Annual Travel Reviews**

6.13.1 Quarterly reviews are required to be presented by the Travel Management Company on all DBE travel activities in the previous three-month period. These reviews must be comprehensive and presented to DBE's Procurement and Finance teams as part of the performance management reviews based on the service levels.

6.13.2 Annual Reviews are also required to be presented to DBE's Senior Executives.

6.13.3 These Travel Reviews will include without limitation the following information:

- 6.13.3.1 The reporting requirements in the National Treasury Instruction 7 of 2022/23/18 (Cost Containment Measures related to Travel & Subsistence);
- 6.13.3.2 Cost savings;
- 6.13.3.3 Refund and credit management;
- 6.13.3.4 Detailed spend per traveller;
- 6.13.3.5 Top 10 travellers;
- 6.13.3.6 Travel agency fees (transaction fees);
- 6.13.3.7 Vendor/merchant fees;
- 6.13.3.8 Last minute bookings;
- 6.13.3.9 After hours review;
- 6.13.3.10 Client feedback and surveys; and
- 6.13.3.11 Traveller profile management;

## **6.14 Office Management**

6.14.1 The TMC is to ensure high quality service to be delivered at all times to the DBE's travellers. The TMC is required to provide DBE with highly skilled and qualified human resources of the following roles but not limited to:

- a. Senior and/or VIP Consultants
- b. Intermediate Consultants
- c. Junior Consultants



- d. Travel Manager (Operational)
- e. Finance Manager / Branch Accountant
- f. Admin Back Office (Creditors / Debtors/Finance Processors)
- g. Strategic Account Manager (per hour)
- h. System Administrator (General Admin)

## **6.15 On-site Facilities**

6.15.1 The TMC will be on-site.

6.15.2 TMC to establish its own network (including line) to connect to and carry own data/network costs. TMC will also be billed for direct line and telephone calls made.

6.15.3 DBE will provide the TMC with the following facilities:

- a. Office Space (open plan) – adhere to DBE policies in this regard
- b. Office Furniture (TMC to provide own IT equipment i.e. computers, printers, fax machine, scanner, copier machine, etc.)
- c. Telephones (instruments only – headset NOT included)
- d. IT infrastructure (cabling, trunking and cabinet)
- e. 1 Direct line (can be used for fax machine)
- f. Communal bathroom and kitchen facilities
- g. Restaurant on-site.

## **7. PRICING MODEL**

DBE make use of one (1) pricing model, being the transactional fee model as per the template (Annexure A3 pricing schedule).

### **7.1 Transaction Fees**

#### **Refer to Annexure A3: Pricing Schedule**

7.1.1 The transaction fee must be inclusive of VAT. The fee must be linked to the cost involved in delivering the service and not a percentage of the value or cost of the service provided by third party service providers.

7.1.2 Bidders are required to provide the fee for each transaction as provided on Annexure A3.

## **7.2 Volume driven incentives**

7.2.1 It is important for bidders to note the following when determining the pricing:

7.2.1.1 National Treasury has negotiated non-commissionable fares and rates with various airline carriers and other service providers;

7.2.1.2 No override commissions earned through DBE reservations will be paid to the TMC;

7.2.1.3 An open book policy will apply and any commissions earned through the DBE volumes will be reimbursed to DBE;

7.2.1.4 TMCs are to book these negotiated rates or the best fare available, whichever is the most cost effective for the institution.

## **7.3 Travel Volumes**

The current DBE total volumes per annum includes air travel, accommodation, car hire, etc. The table below details the number of transactions for the financial year 2021/2022 as follows:

<b>ITEM</b>	<b>Transaction Type</b>	<b>Estimated Number of Transactions per annum</b>
1	Accommodation - Domestic	9081
2	Accommodation – Regional & International	56
3	Group Accommodation	8
4	Group Transfers	8
5	Afterhours	1434

<b>ITEM</b>	<b>Transaction Type</b>	<b>Estimated Number of Transactions per annum</b>
6	Car Rental – Domestic	2393
7	Shuttle Services – Domestic	4380
8	Air Travel – Domestic	6425
9	Air Travel - International & Regional	38
10	Insurance	11
11	Parking	2
12	Train Bookings	9
13	Transfers	10574
<b>Total</b>		<b>34 419</b>

Note: These figures are projections based on the current trends and they may change during the tenure of the contract. The figures are meant for illustration purposes to assist the bidders to prepare their proposal.

## **8. BIDDING REQUIREMENTS**

### **Administrative Requirements**

**8.1 If Bidding as a Consortium or Joint Venture, the bidder must provide the following information and documents:**

- The agreement signed by nominated members of both/all consortium or joint venture partners.
  - The name of the leading company (if any).
- 8.2 Completion and signing of Standard Bidding Document (SBD) forms. (SBD 1, SBD 4 and SBD 6.1).
- 8.3 If Bidding as Consortium or Joint Venture; Completion, signing and submission of all bidding (SBD) forms separately (per company within the consortium/ joint venture).
- 8.4 Bidders should register on the Central Supplier Database (CSD) and provide their CSD Number as required on the attached SBD1 form. If you are not registered proceed to complete the registration of your company prior to submitting your proposal. Visit <https://secure.csd.gov.za/> to register.

## **9. COMPULSORY BRIEFING SESSION**

- 9.1 All prospective bidders must attend a compulsory briefing session. In case of consortium/ Joint Venture; the leading company must attend the briefing session.

**Failure to attend the briefing session will result in disqualification of the submitted bid.**

## **10. EVALUATION AND SELECTION CRITERIA**

The DBE has set minimum standards (Gates) that a bidder needs to meet in order to be evaluated and selected as a successful bidder. The minimum standards are as indicated on the table below and consist of the following:

Pre-qualification Criteria (Gate 0)	Technical Evaluation Criteria (Gate 1)	Price and Specific Goals Evaluation (Gate 2)
Bidders must submit all documents as outlined in paragraph 10.1 (Table 1) below. Only bidders that comply with ALL these criteria will proceed to Gate 1.	Bidder(s) are required to achieve a minimum of 70 points out of 100 points to proceed to Gate 2 (Price and Specific Goals).	Bidder(s) will be evaluated out of 100 points and Gate 2 will only apply to bidder(s) who have met and exceeded the threshold of 70 out of 100 points

### 10.1 Gate 0: Pre-qualification Criteria

Without limiting the generality of DBE's other critical requirements for this Bid, bidder(s) must submit the documents listed in **Table 1** below. All documents must be completed and signed by the duly authorised representative of the prospective bidder(s). During this phase Bidders' response will be evaluated based on compliance with the listed administration and mandatory bid requirements. The bidder(s) proposal will be disqualified for non-submission of any of the documents. All forms must be completed and signed.

**Table 1: Documents that must be submitted for Pre-qualification**

Document that must be submitted	Non-submission may result in disqualification?	
<b>Bidder Compliance form</b>	<b>YES</b>	Complete and sign

Document that must be submitted	Non-submission may result in disqualification?
<b>ASATA &amp; IATA License / Certificate</b>	<b>YES</b> <ol style="list-style-type: none"> <li>1. Bidders are required to submit their valid Association of South African Travel Agents (ASATA) &amp; International Air Transport Association (IATA) licence/certificate.</li> <li>2. Where a bidding company is using a 3rd party ASATA &amp; IATA licence, proof of the agreement for the duration of the contract must be attached and copy of the certificate to that effect at closing date.</li> </ol>
<b>SBD Forms</b>	<b>YES</b> <ol style="list-style-type: none"> <li>1. Alteration of the Standard Bidding Documents (SBD forms) will lead to disqualification. Bidders must complete the SBD forms provided by the DBE with this tender document.</li> </ol>
<b>Pricing Schedule</b>	<b>YES</b> <ol style="list-style-type: none"> <li>1. Submit fully completed and signed Annexure A3, all transactions must be priced.</li> <li>2. Bidders must provide a total cost for the required service inclusive of VAT on the Annexure A3.</li> </ol>

## 10.2 Gate 1: Technical Evaluation Criteria = 100 points

### Part 1 of Technical Evaluation

All bidders are required to respond to the technical evaluation criteria. Only Bidders that have met the Pre-Qualification Criteria in (Gate 0) will be evaluated in Gate 1 for functionality. Functionality will be evaluated as follows:

- Desktop Technical Evaluation – Bidders will be evaluated out of 65 points and are required to achieve a minimum threshold of 45 points out of 65 points in order to proceed to Part 2 of the evaluation for Presentation.
- As part of due diligence, DBE might conduct a site visit at a client of the Bidder for validation of the services rendered. A site visit will be at the DBE's sole discretion.
- The Bidder's information will be scored according to the following criteria:

Criteria	Description	Points
Reference Letters	Provide the reference letters from contactable existing/recent clients (within the past 7 years) whom the DBE may contact for references. The letters must include: company name, contact name, address, phone number, and duration of contract, a brief description of the services that you provided and the level of satisfaction.	Maximum points 6 (2 points per reference letter)
Describe how you will ensure that travel bookers are informed of the travel booking	Describe your communication process with the traveler, travel coordinator /booker. (5)  Describe the notification process to the traveler and travel booker to ensure	10

Criteria	Description	Points
processes.	continuous workflow. (5)	
Travel Management Service staff	<p>Relevant and appropriate number of experienced staff. Submit CV of the travel management consultants</p> <p>3 Travel Management Service staff with relevant and appropriate experience 10</p> <p>2 Travel Management Service staff with relevant and appropriate experience 7</p> <p>1 Travel Management Service staff with relevant and appropriate experience 5</p> <p>No CV submitted 0</p>	10
Financial management staff	<p><b>Relevant and appropriate number of experienced financial management staff. Submit CV of the staff</b></p> <p>3 Financial management staff with relevant experience 10</p> <p>2 Financial management staff with relevant experience 7</p> <p>1 Financial management staff with relevant experience</p>	10



Criteria	Description	Points
	5 No CVs submitted	
Company Experience	<p>Proven relevant experience of travel and accommodation services. Submit a company profile.</p> <p>5 years' experience and above 9</p> <p>3 to 4 years' experience 6</p> <p>1 to 2 years' experience 3</p> <p>Less than 1 year experience 0</p>	9
Risk management plan	<p>Outline 10 risks and mitigation strategies for each risk related to travel and management services</p> <p>1 point per risk and its mitigation.</p>	10
Value Added Services	<p>Provide information on any value-added services your company can offer. Explain how the DBE will benefit from these services</p> <p>10 Value Added Services 10</p> <p>7 to 9 Value Added Services 8</p> <p>4 to 6 Value Added Services 6</p> <p>1 to 3 Value Added Services 4</p> <p>No value added services provided 0</p>	10

Each of the criteria will be assessed and scored on the evaluation sheet using the above points. Bidders who score less than 45 out of 65 points on Part 1 of the Technical Evaluation, will not be considered for this bid and will not be evaluated on Presentation.

## **Part 2 of Technical Evaluation**

### **Presentation by the bidder**

#### **Presentation must not exceed 20 minutes**

All bidders that scored 45 points and above on Part 1 of the Technical Evaluation, will be required to do a presentation.

#### **Presentation - 35 points**

<b>Presentation scenario</b>	<b>Points</b>
Overview / Summary of the proposal	5
The travel management project plan with a clear critical path	5
Actions to manage and coordinate the sub-service providers	5
How the TMC will assist with improving traveler behavior and expectations.	5
Cost saving strategy - Describe and provide examples of cost saving initiatives implemented and achieved at previous clients. Indicate what items were targeted for maximum cost savings results	5
How the arrangements for travel (vehicle rental, flight, train and bus shuttle) will be handled or executed and how the arrangements for accommodation will be handled or executed	5
Describe your communication process with the traveler,	

travel co-ordinator/booker; and notification process to the traveler and travel Booker to ensure continuous workflow	5
--	---

**Total points for Part 1 and Part 2 of the Technical Evaluation (100 points)**

**Bidders that score a total of less than 70 points will not be considered for further evaluation**

## **10.2 Gate 2: Price and Specific Goals Evaluation**

### **Price and Preference Points System**

This bid will be evaluated in terms of either the 80/20 or 90/10 preference point system and the highest acceptable tender will be used to determine the applicable preference point system where 80 points will be used for price only and 20 points for specific goals or 90 points for price only and 10 points for specific goals (refer to attached SBD 6.1 form).

**The following formula will be used for the calculation of points for price:**

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

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration.

Pmin = Price of lowest acceptable tender

Bidders are required to submit proof of the specific goals in order to claim preference points. Non-submission of documents required will lead to a bidder scoring zero (0) for preference points.

A maximum of 20 points will be awarded to a tenderer for the specific goals of people who were historically disadvantaged by unfair discrimination on the basis of being:

<b>The specific goals allocated points in terms of this tender</b>	<b>Number of points allocated (80/20 system)</b>	<b>Documents required as proof of claim to validate points claimed :</b>	<b>Number of points claimed (80/20 system) (To be completed by the tenderer)</b>	<b>Percentage (%) ownership per specific goals</b>
Black People	5	DBE will utilise CSD Report to validate points claimed		
Women	8	DBE will utilise CSD Report to validate points claimed		
Disability	1	<b>Submit any of the documents below:</b> <ul style="list-style-type: none"> <li>• South African Social Security Agency (SASSA) registration; <b>OR</b></li> <li>• National Council for Persons with Physical Disability in South Africa registration (NCPDPSA); <b>OR</b></li> <li>• Medical Certificate</li> </ul>		
Youth	6	DBE will utilise CSD Report to validate points claimed		
<b>Total Points</b>	<b>20</b>			

**NOTE: Allocation of points will be prorated as per percentage of ownership of each goal. DBE will verify the ownership percentage using CSD report, should there be discrepancies CSD report takes precedence.**

A maximum of 10 points will be awarded to a tenderer for the specific goals of people who were historically disadvantaged by unfair discrimination on the basis of being:

<b>The specific goals allocated points in terms of this tender</b>	<b>Number of points allocated (90/10 system)</b>	<b>Documents required as proof of claim to validate points claimed :</b>	<b>Number of points claimed (90/10 system) (To be completed by the tenderer)</b>	<b>Percentage (%) ownership per specific goals</b>
Black People	2	DBE will utilise CSD Report to validate points claimed		
Women	4	DBE will utilise CSD Report to validate points claimed		
Disability	1	<b>Submit any of the documents below:</b> <ul style="list-style-type: none"> <li>• South African Social Security Agency (SASSA) registration; <b>OR</b></li> <li>• National Council for Persons with Physical Disability in South Africa registration</li> </ul>		

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system)	Documents required as proof of claim to validate points claimed :	Number of points claimed (90/10 system) (To be completed by the tenderer)	Percentage (%) ownership per specific goals
		(NCPDPSA); <b>OR</b> <ul style="list-style-type: none"> <li>Medical Certificate</li> </ul>		
Youth	3	DBE will utilise CSD Report to validate points claimed		
<b>Total Points</b>	<b>10</b>			

**NOTE:** Allocation of points will be prorated as per percentage of ownership of each goal. DBE will verify the ownership percentage using CSD report, should there be discrepancies CSD report takes precedence.

The total transaction fees as per Annexure A3 (Pricing schedule) will be used during the evaluation on price and specific goals.

#### **11. GENERAL CONDITIONS OF CONTRACT (GCC) LEGAL SERVICES TO PROVIDE UPDATED GCC**

An award made to a bidder(s) under this bid is conditional, amongst others, upon:

- The bidder(s) accepting the terms and conditions contained in the General Conditions of Contract as the minimum terms and conditions upon which DBE is prepared to enter into a contract with the successful Bidder(s).
- The bidder submitting the General Conditions of Contract to DBE together with its bid, duly signed by an authorised representative of the bidder.

## **12. CONTRACT PRICE ADJUSTMENT**

Contract price adjustments will be done *annually* on the anniversary of the contract start date as approved by the Director General. The price adjustment will be based on the Consumer Price Index Headline Inflation as per STATS SA P0141 (CPI), Table E All Items.

## **13. SERVICE LEVEL AGREEMENT (SLA)**

**13.1** Upon award, the DBE and the successful bidder will conclude a Service Level Agreement regulating the specific terms and conditions applicable to the services being procured by DBE, more or less in the format of the draft Service Level Indicators included in this tender pack.

**13.2** DBE reserves the right to vary the proposed draft Service Level Indicators during the course of negotiations with a bidder by amending or adding thereto.

**13.3** Bidder(s) are requested to:

- a. Comment on draft Service Level Indicators and where necessary, make proposals to the indicators;
- b. Explain each comment and/or amendment; and
- c. Use an easily identifiable colour font or “track changes” for all changes and/or amendments to the Service Level Indicators for ease of reference.

**13.4** The DBE reserves the right to accept or reject any or all amendments or additions proposed by a bidder if such amendments or additions are unacceptable to the DBE or pose a risk to the organisation.

## **14. SPECIAL CONDITIONS OF THIS BID**

DBE reserves the right:

- a. To award this tender to a bidder that did not score the highest total number of points, only in accordance with section 2(1) (f) of the PPPFA (Act 5 of 2000).
- b. To negotiate with one or more preferred bidder(s) identified in the evaluation process, regarding any terms and conditions, including price

without offering the same opportunity to any other bidder(s) who has not been awarded the status of the preferred bidder(s).

- c. To carry out site inspections, product evaluations or explanatory meetings in order to verify the nature and quality of the services offered by the bidder(s), whether before or after adjudication of the Bid.
- d. To correct any mistakes at any stage of the tender that may have been in the Bid documents or occurred at any stage of the tender process.
- e. To cancel and/or terminate the tender process at any stage, including after the Closing Date and/or after presentations have been made, and/or after tenders have been evaluated and/or after the preferred bidder(s) have been notified of their status as such.

#### **15. DBE REQUIRES BIDDER(S) TO DECLARE**

In the Bidder's Technical response, bidder(s) are required to declare the following:

- Confirm that the bidder(s) is to: –
  - a. Act honestly, fairly, and with due skill, care and diligence, in the interests of DBE;
  - b. Have and employ effectively, the resources, procedures and appropriate technological systems for the proper performance of the services;
  - c. Act with circumspection and treat DBE fairly in a situation of conflicting interests;
  - d. Comply with all applicable statutory or common law requirements applicable to the conduct of business;
  - e. Make adequate disclosures of relevant material information including disclosures of actual or potential own interests, in relation to dealings with DBE;
  - f. Avoidance of fraudulent and misleading advertising, canvassing and marketing;



- g. To conduct their business activities with transparency and consistently uphold the interests and needs of DBE as a client before any other consideration; and
- h. To ensure that any information acquired by the bidder(s) from DBE will not be used or disclosed unless the written consent of the client has been obtained to do so.

#### **16. CONFLICT OF INTEREST, CORRUPTION AND FRAUD**

- a. DBE reserves its right to disqualify any bidder who either itself or any of whose members (save for such members who hold a minority interest in the bidder through shares listed on any recognised stock exchange), indirect members (being any person or entity who indirectly holds at least a 15% interest in the bidder other than in the context of shares listed on a recognised stock exchange), directors or members of senior management, whether in respect of the DBE or any other government organ or entity and whether from the Republic of South Africa or otherwise ("Government Entity")
- b. engages in any collusive tendering, anti-competitive conduct, or any other similar conduct, including but not limited to any collusion with any other bidder in respect of the subject matter of this bid;
- c. seeks any assistance, other than assistance officially provided by a Government Entity, from any employee, advisor or other representative of a Government Entity in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity;
- d. makes or offers any gift, gratuity, anything of value or other inducement, whether lawful or unlawful, to any of DBE's officers, directors, employees, advisors or other representatives;
- e. makes or offers any gift, gratuity, anything of any value or other inducement, to any Government Entity's officers, directors, employees, advisors or other representatives in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity;

- f. accepts anything of value or an inducement that would or may provide financial gain, advantage or benefit in relation to procurement or services provided or to be provided to a Government Entity;
- g. pays or agrees to pay to any person any fee, commission, percentage, brokerage fee, gift or any other consideration, that is contingent upon or results from, the award of any tender, contract, right or entitlement which is in any way related to procurement or the rendering of any services to a Government Entity;
- h. has in the past engaged in any matter referred to above; or
- i. has been found guilty in a court of law on charges of fraud and/or forgery, regardless of whether or not a prison term was imposed and despite such bidder, member or director's name not specifically appearing on the List of Tender Defaulters kept at National Treasury.

#### **17. MISREPRESENTATION DURING THE LIFECYCLE OF THE CONTRACT**

- a. The bidder should note that the terms of its Tender will be incorporated in the proposed contract by reference and that DBE relies upon the bidder's Tender as a material representation in making an award to a successful bidder and in concluding an agreement with the bidder.
- b. It follows therefore that misrepresentations in a Tender may give rise to service termination and a claim by the DBE against the bidder notwithstanding the conclusion of the Service Level Agreement between the DBE and the bidder for the provision of the Service in question. In the event of a conflict between the bidder's proposal and the Service Level Agreement concluded between the parties, the Service Level Agreement will prevail.

#### **18. PREPARATION COSTS**

The Bidder will bear all its costs in preparing, submitting and presenting any response or Tender to this bid and all other costs incurred by it throughout the bid process. Furthermore, no statement in this bid will be construed as placing DBE, its employees or agents under any obligation whatsoever,

including in respect of costs, expenses or losses incurred by the bidder(s) in the preparation of their response to this bid.

#### **19. INDEMNITY**

If a bidder breaches the conditions of this bid and, as a result of that breach, DBE incurs costs or damages (including, without limitation, the cost of any investigations, procedural impairment, repetition of all or part of the bid process and/or enforcement of intellectual property rights or confidentiality obligations), then the bidder indemnifies and holds the DBE harmless from any and all such costs which DBE may incur and for any damages or losses the DBE may suffer.

#### **20. PRECEDENCE**

This document will prevail over any information provided during any briefing session whether oral or written, unless such written information provided, expressly amends this document by reference.

#### **21. LIMITATION OF LIABILITY**

A bidder participates in this bid process entirely at its own risk and cost. DBE shall not be liable to compensate a bidder on any grounds whatsoever for any costs incurred or any damages suffered as a result of the Bidder's participation in this Bid process.

#### **22. TAX COMPLIANCE**

No tender shall be awarded to a bidder who is not tax compliant. The DBE reserves the right to withdraw an award made, or cancel a contract concluded with a successful bidder in the event that it is established that such bidder was in fact not tax compliant at the time of the award, or has submitted a fraudulent Tax Clearance Certificate to DBE, or whose verification against the Central Supplier Database (CSD) proves non-compliant. DBE further

reserves the right to cancel a contract with a successful bidder in the event that such bidder does not remain tax compliant for the full term of the contract.

### **23. TENDER DEFAULTERS AND RESTRICTED SUPPLIERS**

No tender shall be awarded to a bidder whose name (or any of its members, directors, partners or trustees) appears on the Register of Tender Defaulters kept by National Treasury, or who have been placed on National Treasury's List of Restricted Suppliers. The DBE reserves the right to withdraw an award, or cancel a contract concluded with a Bidder should it be established, at any time, that a bidder has been blacklisted with National Treasury by another government institution.

### **24. GOVERNING LAW**

South African law governs this bid and the bid response process. The bidder agrees to submit to the exclusive jurisdiction of the South African courts in any dispute of any kind that may arise out of or in connection with the subject matter of this bid, the bid itself and all processes associated with the bid.

### **25. RESPONSIBILITY FOR SUB-CONTRACTORS AND BIDDER'S PERSONNEL**

A bidder is responsible for ensuring that its personnel (including agents, officers, directors, employees, advisors and other representatives), its sub-contractors (if any) and personnel of its sub-contractors comply with all terms and conditions of this bid. In the event that DBE allows a bidder to make use of sub-contractors, such sub-contractors will at all times remain the responsibility of the bidder and DBE will not under any circumstances be liable for any losses or damages incurred by or caused by such sub-contractors.

### **26. CONFIDENTIALITY**

Except as may be required by operation of law, by a court or by a regulatory authority having appropriate jurisdiction, no information contained in or relating to this bid or a bidder's tender(s) will be disclosed by any bidder or other person not officially involved with DBE's examination and evaluation of a Tender.

No part of the bid may be distributed, reproduced, stored or transmitted, in any form or by any means, electronic, photocopying, recording or otherwise, in whole or in part except for the purpose of preparing a Tender. This bid and any other documents supplied by the DBE remain proprietary to DBE and must be promptly returned to DBE upon request together with all copies, electronic versions, excerpts or summaries thereof or work derived there from.

Throughout this bid process and thereafter, bidder(s) must secure DBE's written approval prior to the release of any information that pertains to (i) the potential work or activities to which this bid relates; or (ii) the process which follows this bid. Failure to adhere to this requirement may result in disqualification from the bid process and civil action.

## **27. DBE PROPRIETARY INFORMATION**

Bidder will on their bid cover letter make declaration that they did not have access to any DBE proprietary information or any other matter that may have unfairly placed that bidder in a preferential position in relation to any of the other bidder(s).

## **28. AVAILABILITY OF FUNDS**

Should funds no longer be available to pay for the execution of the responsibilities of this bid the DBE may terminate the Agreement at its own discretion or temporarily suspend all or part of the services by notice to the successful bidder who shall immediately make arrangements to stop the performance of the services and minimize further expenditure: Provided that

the successful bidder shall thereupon be entitled to payment in full for the services delivered, up to the date of cancellation or suspension.

## **29. CONDITIONS**

- a. Assist the DBE nationally and internationally with travel and accommodation management.
- b. The TMC will be responsible for the payment of travel, accommodation and meals for a member of the TMC to be onsite if required by the DBE and claim it back from the DBE in line with the internal approved tariffs.
- c. Documentary proof of standard tariffs must be obtained by the service provider and must be made available to the DBE on request. In addition, documentary proof must be obtained for all other benefits negotiated and submitted with the tenderer's offer.
- d. Supporting services in relation to travel and accommodation management must be available and must not be taken into consideration when discounts are determined. Quotations may show separately which supporting services are available and on what reimbursement basis.
- e. Separate prices or discounts are to be furnished for domestic and for international services. The DBE reserves the right to allocate the two services as separate entities.
- f. Discount on the standard tariffs of, or on accumulated expenditure at, hotels or private hotels, or other types of accommodation and services should be given as a discount to the DBE.
- g. Rates may not be adjusted to the disadvantage of the DBE within the duration of the contract.
- h. All quotations submitted must reflect all discounts tendered for any service. To distinguish between standard discounts, special discounts and cumulative discounts, of any service, they must all be reflected separately and the conditions applicable to each must also be shown

separately. It must also be clearly stipulated whether any discounts represent credits.

- i. All data relating to DBE official travel and accommodation is and will remain the property of the DBE.
- j. No pro forma invoice will be paid.
- k. GAAP: Generally Accepted Accounting Practices must be followed. Any irregularity identified must be investigated, and a full report submitted no later than 10 working days from the date on which the irregularity was identified. All transactions must be auditable by DBE and government standards.
- l. The TMC must adhere to all PFMA requirements for the payment of invoices.
- m. **Termination for default:** The Department, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier reserves the right to terminate this contract with the appointed service provider, in accordance with clause 23 of the General Conditions of Contract, should challenges be experienced with service delivery and customer service to the Department.
- n. Protection of Personal Information Act, No. 4 of 2013: Personal information must be processed lawfully and in a reasonable manner that does not encroach on the privacy of the data subject. Therefore, the Department will enter into a Memorandum of Understanding with the successful bidder setting out the terms and conditions of processing and collecting the required information to ensure compliance with the privacy requirements as set out by the POPI Act before any information is disclosed to such bidder.
- o. Materials compiled by the DBE may not be used in any form or for any purpose other than the purpose stipulated in this agreement. If the service provider wishes to use such material in any other form or for any other purpose, including, but not limited to, workshops, media releases and the like, it must submit to the DBE a written motivation for such use.

- p. The DBE will request approval from the designated officer in whom copyright vests. Only once the designated officer has granted written approval will the DBE convey such written approval to the service provider and will the service provider have permission for such usage.
- q. In the case of any material compiled, developed, researched, commented on, or evaluated on behalf of the DBE as a result of a contractual agreement with the service provider, or any other form of material, irrespective of whether in a completed form or otherwise, all intellectual property rights relating to such material will vest in the state. The service provider may not use any such material without first having obtained written approval as envisaged above.
- r. The TMC should implement a rotation system in using suppliers and subservice providers to prevent the over utilization of a particular subservice provider and supplier.
- s. The DBE reserves the right to change the Terms of Reference prior to the closing of a bid.
- t. The DBE reserves the right not to appoint a service provider and will not be held accountable for preparation of bid documents.
- u. Bidders must register on the Central Supplier Database (CSD) and provide their CSD Number as required on the attached SBD 1 form.

### **30. BANK OR FINANCING HOUSE GUARANTEE**

Short listed bidders should provide the DBE with a bank or accredited financing house guarantee of the availability of a minimum amount of R10 million within 10 working days of request from the Department.

### **31. PRESENTATION**

Shortlisted bidders will have to make a 20 minutes' presentation to the Bid Evaluation Committee. The presentation will be required on the previous experience, company profile and the project plan. A scenario presentation



will also be required at the presentation. The scenario will be provided at time of the presentation.

## **32. CONTACT DETAILS**

### **Bid Enquiries:**

Department of Basic Education: Supply Chain Management,

Tel: (012) 357 3134/3133

E-mail: [Tenders@dbe.gov.za](mailto:Tenders@dbe.gov.za)

## **33. LEGISLATIVE FRAMEWORK OF THE BID**

### **Tax Legislation**

- a. Bidder(s) must be compliant when submitting a proposal to DBE and remain compliant for the entire contract term with all applicable tax legislation, including but not limited to the Income Tax Act, 1962 (Act No. 58 of 1962) and Value Added Tax Act, 1991 (Act No. 89 of 1991).
- b. It is a condition of this bid that the tax matters of the successful bidder be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.
- c. The Tax Compliance status requirements are also applicable to foreign bidders / individuals who wish to submit bids.
- d. It is a requirement that bidders grant a written confirmation when submitting this bid that SARS may on an ongoing basis during the tenure of the contract disclose the bidder's tax compliance status and by submitting this bid such confirmation is deemed to have been granted.
- e. Bidders are required to be registered on the Central Supplier Database (CSD) and the DBE shall verify the bidder's tax compliance status through the CSD.
- f. Where Consortia / Joint Ventures / Sub-contractors are involved, each party must be registered on the CSD and their tax compliance status will be verified through the CSD.

### 34. BIDDER DECLARATION FORM

The bidder hereby declares the following:

We confirm that \_\_\_\_\_ (Bidder's Name) will: –

- a. Act honestly, fairly, and with due skill, care and diligence, in the interests of DBE;
- b. Employ effectively the resources, procedures and appropriate technological systems for the proper performance of the services;
- c. Act with circumspection and treat DBE fairly in a situation of conflicting interests;
- d. Comply with all applicable statutory or common law requirements applicable to the conduct of business;
- e. Make adequate disclosures of relevant material information including disclosures of actual or potential own interests, in relation to dealings with the DBE;
- f. Avoid fraudulent and misleading advertising, canvassing and marketing;
- g. Conduct business activities with transparency and consistently uphold the interests and needs of the DBE as a client before any other consideration; and
- h. Ensure that any information acquired by the bidder(s) from the DBE will not be used or disclosed unless the written consent of the client has been obtained to do so.

Signature \_\_\_\_\_

Date \_\_\_\_\_

Print Name of Signatory: \_\_\_\_\_

Designation: \_\_\_\_\_

For and on behalf of: \_\_\_\_\_ (Bidding Company's Name)

## 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**

*(delete whichever is not applicable for this tender).*

- a) The applicable preference point system for this tender is the 90/10 preference point system.
- b) The applicable preference point system for this tender is the 80/20 preference point system.
- c) Either the 90/10 or 80/20 preference point system will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

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 / 90
SPECIFIC GOALS	20 / 10
<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 90/10 PREFERENCE POINT SYSTEMS

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

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

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:

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

Where

- $P_s$  = Points scored for price of tender under consideration  
 $P_t$  = Price of tender under consideration  
 $P_{max}$  = 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 tenders:**

- 1. The tenderer must indicate how they claim points for each preference point system.**
- 2. Allocation of points will be prorated as per percentage of ownership of each goal**
- 3. DBE will verify the ownership percentage using CSD report, should there be discrepancies CSD report takes precedence.**

<b>The specific goals allocated points in terms of this tender</b>	<b>Number of points allocated (80/20 system)</b>	<b>Documents required as proof of claim to validate points claimed :</b>	<b>Number of points claimed (80/20 system) (To be completed by the tenderer)</b>	<b>Percentage (%) ownership per specific goals</b>
Black People	5	DBE will utilise CSD Report to validate points claimed		
Women	8	DBE will utilise CSD Report to validate points claimed		
Disability	1	<b>Submit any of the documents below:</b> <ul style="list-style-type: none"> <li>• South African Social Security Agency (SASSA) registration; <b>OR</b></li> <li>• National Council for Persons with Physical Disability in South Africa registration (NCPDPSA); <b>OR</b></li> <li>• Medical Certificate</li> </ul>		
Youth	6	DBE will utilise CSD Report to validate points claimed		
<b>Total Points</b>	<b>20</b>			

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system)	Documents required as proof of claim to validate points claimed :	Number of points claimed (90/10 system) (To be completed by the tenderer)	Percentage (%) ownership per specific goals
Black People	2	DBE will utilise CSD Report to validate points claimed		
Women	4	DBE will utilise CSD Report to validate points claimed		
Disability	1	<b>Submit any of the documents below:</b> <ul style="list-style-type: none"> <li>• South African Social Security Agency (SASSA) registration; <b>OR</b></li> <li>• National Council for Persons with Physical Disability in South Africa registration (NCPDPSA); <b>OR</b></li> <li>• Medical Certificate</li> </ul>		
Youth		DBE will utilise CSD Report to validate points claimed		
<b>Total Points</b>	<b>10</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.

.....  
**SIGNATURE(S) OF TENDERER(S)**

**SURNAME AND NAME:** .....

**DATE:** .....

**ADDRESS:** .....

.....

.....

.....

# **THE NATIONAL TREASURY**

**Republic of South Africa**



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

**July 2010**

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**GOVERNMENT PROCUREMENT**

**GENERAL CONDITIONS OF CONTRACT**

**July 2010**

**NOTES**

The purpose of this document is to:

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

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

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

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

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## **General Conditions of Contract**

### **1. Definitions**

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



RSA.

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

obligations of the supplier covered under the contract.

1.25 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

**2. Application**

2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.

2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

**3. General**

3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.

3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from [www.treasury.gov.za](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.

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

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

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

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

## **22. Penalties**

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

## **23. Termination for default**

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

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

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

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

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

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

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

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

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

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

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

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

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



may be due to him

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|---------------------------------------|---|
| <b>25. Force Majeure</b>              | <p>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.</p> <p>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.</p>   |
| <b>26. Termination for insolvency</b> | <p>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.</p>   |
| <b>27. Settlement of Disputes</b>     | <p>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.</p> <p>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.</p> <p>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.</p> <p>27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.</p> <p>27.5 Notwithstanding any reference to mediation and/or court proceedings herein,</p> <ul style="list-style-type: none"><li>(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and</li><li>(b) the purchaser shall pay the supplier any monies due the supplier.</li></ul> |
| <b>28. Limitation of liability</b>    | <p>28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;</p> <ul style="list-style-type: none"><li>(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</li></ul>   |

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

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