

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	DBE197	CLOSING DATE:	15 AUGUST 2024	CLOSING TIME:	11:00
DESCRIPTION	APPOINTMENT OF A SERVICE PROVIDER FOR PROJECT MANAGEMENT SERVICES ON THE MODERNIZATION OF THE NATIONAL SCHOOLS NUTRITION PROGRAMME (NSNP)				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
MAIN ENTRANCE / RECEPTION, SOL PLAAJIE HOUSE					
DEPARTMENT OF BASIC EDUCATION					
222 STRUBEN STREET					
PRETORIA					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	Ms N Metula		CONTACT PERSON	Mr J Naicker	
TELEPHONE NUMBER	N/A		TELEPHONE NUMBER	012 357 4265	
FACSIMILE NUMBER	N/A		FACSIMILE NUMBER	N/A	
E-MAIL ADDRESS	NSNPMMod@dbe.gov.za		E-MAIL ADDRESS	NSNPMMod@dbe.gov.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.					

PART B TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:

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

2. TAX COMPLIANCE REQUIREMENTS

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

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

SIGNATURE OF BIDDER:

.....

CAPACITY UNDER WHICH THIS BID IS SIGNED:

.....

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

DATE:

.....

NOTICE TO ALL PROSPECTIVE BIDDERS

BID NO : DBE197
CLOSING DATE : 15 August 2024
TIME : 11:00

Non-compulsory briefing session will be held as follows

DATE : 01 August 2024
VENUE : Microsoft Teams
TIME : 10:00 until 11:00
CONTACT PERSON : Mr J Naicker
TEL : (012) 357 4265

Bidders who are interested in joining the session should send their email address to NSNPMMod@dbe.gov.za, a day before the date of the session for logistics purposes. The due date is 31 July 2024

PRICING SCHEDULE – FIRM PRICES (PURCHASES)

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

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

Name of bidder.....	Bid number: DBE197
Closing Time: 11:00	Closing date: 15 August 2024

OFFER TO BE VALID FOR 120 DAYS FROM THE CLOSING DATE OF BID.

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY
		Appointment of a service provider for Project Management Services on the Modernization of the National Schools Nutrition Programme (NSNP). Refers to Paragraph 8.1.2 of the Terms of Reference.	R.....

- Required by:
- At:
- Brand and model:
- Country of origin:
- Does the offer comply with the specification(s)? *YES/NO
- If not to specification, indicate deviation(s)
- Period required for delivery:
*Delivery: Firm/not firm
- Delivery basis:

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

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

PRICING SCHEDULE – NON-FIRM PRICES (PURCHASES)

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

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

Name of Bidder..... Bid number: **DBE197**

Closing Time: **11:00**

Closing date: **15 August 2024**

OFFER TO BE **VALID FOR 120 DAYS** FROM THE CLOSING DATE OF BID.

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY (ALL APPLICABLE TAXES INCLUDED)
		Appointment of a service provider for Project Management Services on the Modernization of the National Schools Nutrition Programme (NSNP). Refers to Paragraph 8.1.2 of the Terms of Reference.	R.....

- Required by:
- At:
- Brand and model
-
- Country of origin
- Does the offer comply with the specification(s)? *YES/NO
- If not to specification, indicate deviation(s)
- Period required for delivery
- Delivery: *Firm/not firm

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

*Delete if not applicable

PRICE ADJUSTMENTS

A NON-FIRM PRICES SUBJECT TO ESCALATION

1. IN CASES OF PERIOD CONTRACTS, NON FIRM PRICES WILL BE ADJUSTED (LOADED) WITH THE ASSESSED CONTRACT PRICE ADJUSTMENTS IMPLICIT IN NON FIRM PRICES WHEN CALCULATING THE COMPARATIVE PRICES
2. IN THIS CATEGORY PRICE ESCALATIONS WILL ONLY BE CONSIDERED IN TERMS OF THE FOLLOWING FORMULA:

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

Where:

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

3. The following index/indices must be used to calculate your bid price:

Index..... Dated.....	Index..... Dated.....	Index..... Dated.....
Index..... Dated.....	Index..... Dated.....	Index..... Dated.....

4. FURNISH A BREAKDOWN OF YOUR PRICE IN TERMS OF ABOVE-MENTIONED FORMULA. THE TOTAL OF THE VARIOUS FACTORS MUST ADD UP TO 100%.

FACTOR (D1, D2 etc. eg. Labour, transport etc.)	PERCENTAGE OF BID PRICE

B PRICES SUBJECT TO RATE OF EXCHANGE VARIATIONS

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

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

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

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

ANNEXURE A

PRICING SCHEDULE

1. The pricing schedule for the project management, resources and infrastructure is categorised as follows, however a detailed line-item schedule which must be costed per unit i.e. food items (perishable and dry food items), PPEs and equipment is attached hereto as ANNEXURE B.
2. The pricing schedules must be completed in full, and failure to complete pricing for any item indicated in the schedules will render your bid non-responsive.

COST BREAKDOWN	
TOTAL OPERATING COSTS	
	R
COSTING PER MASTER DISTRIBUTION CENTRE	
Infrastructure	R
Project Management	R
Fleet Management	R
ICT and Systems Management (online Ordering system and end to end procurement management)	R
Monitoring Reporting and Evaluation	R
Inventory and Warehouse Management	R
Financial Management and Reporting	R

COSTING PER WAREHOUSE HUB		Year 1
Infrastructure		R
Project Management		R
Fleet Management		R
ICT and Systems Management (online Ordering system and end to end procurement management)		R
Monitoring Reporting and Evaluation		R
TOTAL OPERATING COSTS		R

WAREHOUSING AND ADMINISTRATION		
Facility Costs		R
Material Handling Equipment Costs		R
Warehouse Equipment Handling Costs		R
Haman Resources		R
Miscellaneous/operating cost		R
Admin and call centre		R
		R
TOTAL OPERATING COSTS		R

ANNEXURE B

PRICING SCHEDULE

1. The pricing schedule must be a detailed line-item schedule which must be costed per unit i.e. food items (perishable and dry food items), is attached hereto as ANNEXURE B.
2. The pricing schedules must be completed in full, and failure to complete pricing for any item indicated in the schedules will render your bid non-responsive.

NATIONAL SCHOOL NUTRITION PROGRAMME FOOD BASKET ACCORDING TO THE STANDARDIZED MENU

Pring Schedule

Food Groups	Food item	Price
Breakfast Cereal	Instant Flavoured maize (vanilla)	
	Instant Flavoured maize (strawberry)	
	Instant Flavoured Sorghum (original)	
	Oats	
	Instant Flavoured maize (banana)	
Protein Foods	Canned Pilchards/Mackerel/Sardines in tomato	
	Sugar beans	
	UHT milk (Province Specific)	
	Pasteurised Amasi (Province Specific)	
	Compliant soya mince	
	Processed Chicken Livers	
Starches	Parboiled Rice	
	Samp	
	Fortified maize meal	
	Macaroni	
Vegetables	Butternut	
	Pumpkin	
	Cabbage	
	Carrots	
	Onions	
Fruit	Apples	
	Oranges	
	Bananas	
Seasoning	Cooking Oil	
	Iodised Salt	
	Sugar	
	Canned Tomato Puree	
	Vegetable soup powder	
	Chicken stock	
	Medium Curry powder	
	Minestrone soup powder	

ECD FOOD BASKET ACCORDING TO THE STANDARDIZED MENU

Pricing Schedule

Food Groups	Food item	Price
Breakfast cereal	Instant sorghum (original)	
	Oats	
Protein Foods	Canned Pilchards/Mackerel/Sardines in tomato	
	Sugar beans	
	UHT milk (Province Specific)	
	Pasteurised Amasi (Province Specific)	
	Compliant soya mince	
	Processed Chicken Livers	
Starches	Parboiled Rice	
	Samp	
	Fortified maize meal	
Vegetables	Butternut	
	Pumpkin	
	Cabbage	
	Carrots	
	Onions	
Fruit	Apples	
	Oranges	
	Bananas	
Seasoning	Cooking Oil	
	Iodised Salt	
	Sugar	
	Tomato Paste	
	Vegetable soup powder	
	Chicken stock	
	Medium Curry powder	



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

TERMS OF REFERENCE (TOR)

APPOINTMENT OF A SERVICE PROVIDER FOR PROJECT MANAGEMENT SERVICES ON THE MODERNIZATION OF THE NATIONAL SCHOOLS NUTRITION PROGRAMME, FOR A PERIOD OF 10 YEARS WITH AN OPTION TO EXTEND FOR A FURTHER PERIOD OF THREE (3) YEARS.

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ABBREVIATIONS

BAC	Bid adjudication Committee
B-BBEE	Broad-Based Black Economic Empowerment
CPA	Contract Price Adjustment
COA	Certificate of Acceptability
CSD	Central Supplier Database
DBE	Department of Basic Education
ECD	Early Childhood Development
GCC	The General Conditions of Contract
LED	Local Economic Development
PPE	Personal Protective Equipment
MDC	Master Distribution Centre
NSNP	National School Nutrition Programme
NATIS	National Traffic Information System
OHS	Occupational Health and Safety
SBD	Standard Bidding Document
TCBD	Transversal Contract Bidding Document
TOR	Terms of Reference
VAT	Value - Added Tax
PED	Provincial Education Department
POPI	Protection of Personal Information
PPR 2022	Preferential Procurement Regulation
SANAS	The South African National Accreditation System
SMME	Small, Medium and Micro-enterprises
SCC	Special Conditions of Contract
SLA	Service Level Agreement

1. BID DESCRIPTION

- 1.1. The Department of Basic Education (DBE) seeks to appoint a Service Provider to render project management services in the provisioning and distribution of food items as part of its process to modernize the National School Nutrition Programme (NSNP).
- 1.2. This service will be required:
 - 1.2.1. For 9.7 million learners, as amended from time-to-time by the DBE, for approximately nineteen thousand (19 000) schools in all nine (9) provinces for the school calendar days per annum,
 - 1.2.2. For approximately 120 000 children over 264 feeding days per annum at Early Childhood Development (ECD) centres.

2. OBJECTIVES

- 2.1. The objectives for this project is to appoint a suitable service provider to execute the procurement, distribution and management of food items as per the DBE approved standardized menu.
- 2.2. The project will be gradually implemented in a phased in approach to include all nine (9) provinces for a period of ten (10) years with the option to extend for a further three (3) years, at the discretion of the Department of Basic Education (DBE) subject to budget availability, need for service and performance of the service provider.
- 2.3. In order to fulfil the requirements of the project, the service provider will be required to:
 - 2.3.1. Procure and deliver dry menu items in line with the Food Specifications as per list of food items in Annexure A, on a monthly basis. The dry menu items will be informed by the ECD and NSNP guidelines and standardized menus (as amended from time-to-time), to all identified ECD centres and schools in all nine (9) provinces;

- 2.3.2. Procure and deliver fresh quality perishable fruit and vegetables on a weekly basis, as per the list of food items in Annexure A. The perishable items will be informed by the ECD and NSNP guidelines, as applicable, and the standardized menus (as amended from time-to-time), to all identified ECD centres and schools in all nine (9) provinces;
- 2.3.3. Deliver in line with the feeding calendar provided by the DBE, subject to amendments from time-to-time;
- 2.3.4. Ensure that the delivered dry and perishable menu items adhere to the Foodstuffs, Cosmetics and Disinfectants Act and other relevant legislation and that the menu items are as prescribed in the ECD and NSNP guidelines for all identified centers and schools in all nine provinces;
- 2.3.5. Distribution centers, warehouses, and vehicles used to transport perishable food should have a CoA in terms of R638.

3. BACKGROUND

- 3.1. The DBE has a mandate to manage and implement the National School Nutrition Programme, which is one of the key government programmes that seeks to address hunger in schools in line with the National Development Plan towards alleviating poverty by 2030.
- 3.2. There have been calls to modernize the NSNP across all provinces and it is envisaged that in renewing the implementation model, the most critical consideration is to maximize economies of scale and to improve the quality and delivery of school meals.
- 3.3. The new model will ensure all learners benefit from both breakfast and lunch meals. Thus, the appointed service provider is expected to procure, supply and deliver dry and perishable food items to primary, secondary and other identified schools and ECD centres in all nine (9) provinces.

4. SCOPE OF WORK

4.1. Key Deliverables

- 4.1.1. The service provider shall provide project management solutions enabling end to end procurement, packaging, storage and distribution of all menu items per school or ECD centre.
- 4.1.2. The service provider must have a minimum of ten (10) years' national distribution experience, including distribution experience to schools in South Africa.
- 4.1.3. The service provider must provide suitable facilities in the nine provinces including experienced staff and meeting all local economic development (LED) requirements as set out by the DBE.
- 4.1.4. The deliverables that must be covered extensively include:
 - 4.1.4.1. Procure and deliver food items to all identified schools and ECD centres across nine (9) provinces;
 - 4.1.4.2. Procure and deliver food items based on the standardized menu provided by the DBE. The service provider will be responsible for the supply of dry ingredients, as well as perishables (fresh fruits and vegetables);
 - 4.1.4.3. Create an intelligent and resilient supply chain for all points in the provinces whilst catering for qualifying learners including a comprehensive plan for procurement and distribution of approved menu items including fruit and vegetables;
 - 4.1.4.4. Build an adaptable supply chain that reacts to challenges using real time visibility, agile planning and business continuity;
 - 4.1.4.5. Set-up centralized procurement systems to streamline procurement and payment processes;
 - 4.1.4.6. Manage finances and operations across all centres within the

provinces whilst monitoring and evaluating the distribution channels on a single platform in real time;

4.1.4.7. Implement a standardized and centralized procure-to-pay system;

4.1.4.8. Centralize and standardize procurement to benefit on economies of scale;

4.1.4.9. The service provider must provide the following:

- Data / call centre management;
- Contract logistics (warehousing);
- IT systems and support;
- Distribution;
- Administration;
- Document management system;
- Real time reporting capabilities;
- Full auditing and accounting of all financial aspects of the project;
- Monthly KPI reporting;
- Establish warehouse facilities fully equipped and meeting health and safety standards in all nine (9) provinces;
- Provide a nationwide LED solution to the programme;
- Provide feedback to schools regarding the delivery status: picked/packed, collected or delivered by a distributor and delivered to school;
- Deliver training across the NSNP value chain, the training needs will be identified by the DBE.

4.1.4.10. The service provider is required to update DBE with accurate data of all schools and ECD centres;

4.1.4.11. In addition to the above the appointed service provider must ensure that facilities have:

- Key warehousing and distribution operations;
- A reputable Warehouse Management System (WMS);

- Full integration from WMS to the distribution systems;
- Final distribution plan communicated to DBE and approved vetted SMMEs;
- Create local economic development and participation;
- PODs are designed to the DBEs requirements;
- PODs comply to auditing requirements;
- Single consolidated POD containing all the orders per school;
- Batch tracking of food items;
- Real time stock on hand reporting;
- Provide status reports on delivery progress daily/weekly;
- Delivery exception reporting;
- Project management narrative reporting;
- Financial reporting.

4.1.4.12. The service provider must have the below extensive experience:

- Facility layout design;
- Compliance to OHS and handling equipment;
- Staff training and skills development

4.1.4.13. The service provider is required to provide PPEs, as and when required to the food handlers, as well as equipment and eating utensils as per DBE specifications to schools. Quantities will be determined on a needs basis, as per NSNP guidelines and annexures.

4.2. Exclusions

4.2.1. The supply of gas to schools is excluded from the scope of work.

4.2.2. The payment and management of Food Handlers (FHs) are excluded from the scope of work.

4.2.3. The payment and management of provincial monitors and other officials are also excluded from the scope of work.

4.3. Provisioning

- 4.3.1. The service provider will procure, pack and deliver food items as per the approved DBE menu including fresh fruit and vegetables from local manufacturers and suppliers, where applicable, while promoting LED.
- 4.3.2. Documentation must be provided to identify local supply of all procured goods.
- 4.3.3. Negotiate with the local manufacturers and suppliers', securing competitive prices based on economies of scale

4.4. Warehousing

4.4.1 Packing

- Picking and packing of goods per school and ECD centre;
- Managing all processes within the warehouse hubs via automated software and electronic devices for accurate picking and packing;
- Picking the menu per school and ECD centre, as per specifications provided by DBE;
- Ensure that there is no waste incurred at any of the warehouses and hubs.

4.4.2 Warehousing activities

- Provide warehousing that caters for adequate storage facilities for bulk food items;
- Provide warehouse hubs with equipment to assist with bulk handling of goods;
- Provide warehouse hubs throughout the nine (9) provinces;
- There must be workstations for picking and packing of school and ECD orders.

4.4.3 Warehouse requirements

- Provide a minimum of three (3) master distribution centres with a minimum size of 10 000m² each, in any of the nine (9) provinces;
- Provide a minimum of 50 warehouse hub facilities with a minimum size of 1250 m² each to cover the 75 education districts throughout the nine (9) provinces;
- Provide Proof of Ownership or Leasing Agreement or Letter of Intent/Commitment;
- Provide a warehouse management system, physical security and visible demarcation of the warehouse premises;
- Provide a comprehensive insurance cover for the entire project including but not limited to fire, damage and public liability;
- The warehouse hubs must comply with regulations governing General Health and Hygiene Requirements for Food Premises and Transport of Food – Regulation 638;
- The warehouse hubs must be certified for storage of food. Certificate of Acceptability as per Regulation 638 to be submitted 30 days prior to facility go-live, as per the phased in approach.

4.4.4. Distribution

- Distribute all food items to all DBE identified schools and ECD centres;
- Track and monitor the delivery of goods to schools and ECD centres;
- Prepare all management plans for distribution to schools and ECD centres;
- Make use of SMMEs with each district to enhance LED focusing on youth, women and people with disabilities;
- The dry goods must be delivered monthly (a total of 10 monthly deliveries per annum) and fresh produce be delivered on a weekly basis, as per feeding calendar.

4.4.5 Fleet requirements

- Provide a minimum guaranteed number of appropriate vehicles per warehouse hub as specified in the functionality;
- Provide relevant registration documentation as well as roadworthy certification as specified in the functionality;
- Comply with General Health and Hygiene Requirements for Food Premises and Transport of Food – Regulation 638 on transport requirements.

5. DURATION OF THE PROJECT

- 5.1. The project will be awarded for the period of (10) years with the option to extend for a further three (3) years, at the discretion of the Department of Basic Education (DBE) subject to budget availability, need for service and performance of the service provider.

6. PROJECT EXECUTION, DELIVERABLES AND TIME FRAMES

- 6.1. It is envisaged that upon signing of the SLA the service provider will execute the project in phases. An example of the phases could be:
- 6.1.1. Phase 1: Planning and preparation;
- 6.1.2. Phase 2: Roll-out in the first three (3) provinces
- 6.1.3. Phase 3: Full implementation

7. REPORTING AND MONITORING

- 7.1. The DBE will monitor the performance of the service provider in terms of the stipulated deliverables and time-frames.
- 7.2. A Steering Committee, appointed by the Director-General will meet regularly to monitor deliverables.
- 7.3. These meetings will be added to regular project meetings that will focus on the operational aspects of the project. Formal meeting

procedures will be followed and approved and signed minutes will be kept by the DBE as official meeting records.

7.4. The service provider should set up systems to be able to:

- Report on agreed intervals on the entire value chain;
- Provide comprehensive monthly, quarterly and annual reports;
- Provide incidence reports as and when required;
- Provide detailed verified accounting and financial reports including a comprehensive close out report;
- Provide audited financial reports on all financial expenditure.

8. BIDDING REQUIREMENTS

8.1. Mandatory requirements

Bidders must comply with the following mandatory requirements:

- 8.1.1. Bidders must submit a company profile(s). In the case of a consortium or a joint venture, a profile of each entity must be submitted.
- 8.1.2. Bidders must provide a total price inclusive of VAT for the project and the price must be fixed for the first year of the project/contract.
- 8.1.3. A Signed Consortium Agreement by all entities participating in the project, specifying the roles and responsibilities of each entity must be submitted.
- 8.1.4. Audited financial statements for the past three (3) years.
- 8.1.5. Submit a letter of comfort from a banking institution registered in South Africa confirming that for the first year of the contract, the entity or joint venture or consortium can access a credit facility to the value of R100 million.
- 8.1.6. Submit a detailed project plan that will ensure the successful implementation and execution of the NSNP resulting in the feeding

on school days to qualifying learners in all provinces. This must include the preparation phase and the go-live of each province based on a phased in approach. The detailed project plan must also include the different phase of the project for the identified schools and ECD centres.

- 8.1.7. Provide proof of insurance or letter (s) of intent of an insurance agreement from an accredited Financial Service Provider for covering the entire value chain of the project.
- 8.1.8. Provide proof/evidence of three (3) Master Distribution Centres (MDC) with a minimum size of 10 000m² in any of the nine (9) provinces, such proof/evidence must either be in a form of the following documents:
 - Proof of ownership or
 - Leasing Agreement or
 - Letter of Intent/Commitment for rental of premises.
- 8.1.9. Provide proof/evidence for 50 warehouses with a minimum size of 1250m² each across the nine (9) provinces, such proof/evidence must either be in a form of the following documents provided:
 - Proof of ownership or
 - Leasing Agreement or
 - Letter of Intent/Commitment for rental of premises
- 8.1.10. Submit a comprehensive list of the fleet of delivery vehicles to be utilized for the project as per the functionality evaluation criteria below, such list must be supported by:
 - In the case of ownership a valid vehicle certificate of registration documents as per NATIS must be submitted; and
 - In the case of hiring, the proof must be in the form of a lease agreement(s);
 - a letter of commitment

- Certified copies of valid registration documents/license disc and a roadworthy certificate must be submitted for each vehicle, clearly showing the type of vehicle/ton/registration;

8.1.11. The service provider must provide a price inclusive of VAT. The attached pricing schedule must be completed in full.

NB: Bidders who do not comply with all of the above mandatory requirements will be disqualified.

8.2. General requirements

Bid Compliance

Bidders should return all fully completed and signed attached SBD forms:

- 8.2.1. SBD1 - Invitation to bid;
- 8.2.2. SBD3 - Pricing Schedules SBD 3.1 for Firm Prices, SBD 3.2 for Non-Firm Prices;
- 8.2.3. SBD4 - Bidder's Disclosure and;
- 8.2.4. SBD6.1 - Preference Points Claim Form in terms of the PPR of 2022.
Non-submission of the SBD6.1 form will result in non-awarding of the preference points. SBD means Standard Bidding Documents.
- 8.2.5. In case of a Consortium or Joint Venture, prospective bidders should individually submit the fully completed and signed SBD forms separately.
- 8.2.6. If Bidding as a Consortium or Joint venture, the Consortium or Joint Venture must provide the following information and documents:
 - The agreement signed by nominated members of all consortium or joint venture partners, stating the leading company.

8.2.7. If the bidder is bidding with an intention of subcontracting certain tasks, then bidder must state, the name of the subcontract Company and percentage to be sub-contracted.

8.2.8. General Conditions of Contract (GCC) must be initialed on every page.

8.2.9. Prospective Bidders / service provider shall comply with relevant national legislation and municipal by-laws in the execution of the project. As evidence of such compliance the service provider shall provide the following information:

- OHS Certification
- Occupation Certificate

8.2.10. Prospective Bidders / Service Providers must provide all the required information. It is the responsibility of prospective bidders / service providers to ensure that the information provided is accurate and complete and supporting documents are correctly referenced.

8.3. Additional requirements (not eliminating criteria)

8.3.1. A Central Supplier Database (CSD) registration which is required on or before awarding. Prospective bidders must be registered on the CSD and provide CSD registration number, if the bidder is not registered the bidder must complete the CSD registration of the entity prior to the award of this bid using the link <https://secure.csd.gov.za/>. In the case of a consortium or joint venture, each entity must be registered on the CSD.

8.3.2. Valid original or certified copy of a B-BBEE certificate in case of a Joint Venture/Consortium a consolidated B-BBEE certificate must be submitted;

8.3.3. Submit a Tax Status/SARS Pin (which will be verified), in case of a Joint Venture/Consortium each entity must submit an individual Tax Status/SARS Pin.

9. SPECIAL CONDITIONS

- 9.1. The service provider must ensure that all financial and supply arrangements for goods and/or services have been mutually agreed upon between the bidder and the third party. No agreement between the bidder and the third party will be binding to DBE.
- 9.2. In the event that the service provider will be supported by a third party, the service provider must obtain written confirmation from the third party that the DBE can conduct due diligence and in loco inspection on the premises of the third party.
- 9.3. The DBE reserves the right to change the Terms of Reference prior to the closing of a bid. It is the responsibility of the bidders to visit the DBE website and e-portal for the updates.
- 9.4. Bids received at the address indicated in the bid documents after the closing date and time, will not be accepted for consideration.
- 9.5. The DBE reserves the right not to appoint or not to appoint a service provider and will not be held responsible for the reimbursement of the expenses incurred by bidders during the preparation of their bid.
- 9.6. The DBE reserves the right to negotiate the price with the preferred bidders prior to the award and with the successful bidder(s) post award.
- 9.7. In the event that an incorrect price adjustment is made during the calculation of the contract price adjustment, DBE reserves the right to adjust the price in accordance with the correct price calculation. Recovery of any under or over payment as a result of the application of an incorrect price adjustment will be dealt with by the service provider and the relevant end user department.

- 9.8. Any price adjustment which is regarded as non-firm and subject to rand exchange fluctuations must be declared in the relevant SBD forms for DBEs consideration. DBE reserves the right to accept or reject non-firm prices for the first year of the contract.
- 9.9. The DBE reserves the right to award contracts to more than one service provider or a consortium of service providers for this contract.
- 9.10. Within 30 days of the service provider accepting the letter of award, the service provider shall sign a Service Level Agreement (SLA) with DBE.
- 9.11. The service provider acknowledges that upon the award of the bid it shall establish a national footprint fully understanding that the project will be implemented in a phased in manner.
- 9.12. The service provider shall in consultation with DBE set up liaison meetings with all Provinces for the purpose of training, inducting workshops in various provinces on the project.
- 9.13. The DBE reserves the right to conduct its own due diligence and verify if the submitted supporting documentation and information is accurate and truthful and should it be found that the prospective bidders / service provider have misrepresented or falsified the information such prospective bidders / service providers will be automatically disqualified from the process.
- 9.14. Bidders who have been blacklisted as per the National treasury database will be automatically disqualified.
- 9.15. DBE reserves the right to cancel/reject any proposal and not to award the proposal to the lowest bidder or award parts of the proposal to different bidders, or not to award the proposal at all.
- 9.16. The service provider will be expected to complete all deliverables of the project and adhere strictly to the deadlines agreed upon at all

times and to compile written reports on completion of each deliverable, or as and when requested.

- 9.17. The DBE will confine its contractual dealings with the primary service provider in a case where there is a consortium.
- 9.18. The service provider shall undertake to avoid any activity of whatsoever nature that may be detrimental to the Department's interest, goodwill and reputation.
- 9.19. Material 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 first obtain the written approval from the DBE for such use.
- 9.20. 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 from the DBE.
- 9.21. The DBE will request approval from the designated officer wherein the copyright vests. Only once the designated officer has granted written approval, will the DBE convey such written approval to the service provider and the service provider will then have permission for such usage.
- 9.22. The service provider must guarantee delivery of goods and services by entering into a detailed and binding Service Level Agreement with the DBE.

- 9.23. A Certificate of Acceptability (CoA) must be provided at least 30 days before going live for each master distribution centre, hub and vehicles used for the transportation of perishables in accordance with General Health and Hygiene Requirements for Food Premises and Transport of Food – Regulation 638.
- 9.24. A CoA must be provided at least 30 days before going live for every vehicle that will be transporting perishable items in accordance with R638.
- 9.25. In the event that the service provider fails to comply in the stipulated timeframe for the submission of the CoAs, DBE reserves the right to cancel the award.
- 9.26. Successful bidder/s must be able to commence work as and when required. Projects/services will be initiated by means of written instructions to the successful bidder/s.
- 9.27. DBE reserves the right to reject work that does not meet the required standard and engage a different service provider to complete the work. DBE shall serve thirty (30) days' notice for the termination of contract in the case of non-performance.
- 9.28. DBE reserves the right to terminate the contract at any stage if there is substantive proof of inefficiency in the delivery of the service.
- 9.29. DBE will use its discretion for the vetting of bidder/s.
- 9.30. Where required service providers must provide insurance certificates from accredited insurance companies.
- 9.31. DBE reserves the right to engage in post tender negotiations with the Bidder/s on the shortlist and to do business with the vendor/s that best meet the requirements and will not be obliged to give reasons for such exclusions.

10. NON-COMPULSORY BRIEFING SESSION

- 10.1. The DBE will hold a non-compulsory virtual briefing session on a date and time as published. Bidders who wish to attend the briefing session must forward their interest to this email address: NSNPMMod@dbe.gov.za. A link to the virtual meeting will be provided to the interested bidders.

11. EVALUATION CRITERIA

- 11.1. This bid will be evaluated in accordance with the 90/10 principles, in four (4) phases:
- 11.1.1. Compliance/eligibility,
 - 11.1.2. Technical/Functionality.
 - 11.1.3. Site Inspection
 - 11.1.4. Pricing and specific goals

Phase 1: Administrative evaluation

- 11.1.5. A paper-based administrative evaluation will be carried out on all bids received and if any of the bidders do not fulfil the applicable requirements indicated above such a bidder will be eliminated from any further evaluation.

Phase 2: Technical/Functionality evaluation

- 11.1.6. A paper-based functionality evaluation will be carried out on all shortlisted bids from phase one (1). Bidders who score less than 80 points out of 100 for functionality will be regarded as non-responsive bids and will be disqualified from this phase.
- 11.1.7. Bidders who meet the minimum functionality score of 80 (paper based Technical/functionality evaluation) will be shortlisted.

Phase 3: Site Inspection

- 11.1.8. Physical site inspection will be carried out on all shortlisted bidders from phase two (2).

- 11.1.9. This phase will include verification of documents, infrastructure, in the form of warehouse hubs, master distribution centres, equipment, fleet etc, as demonstrated in the bid documents submitted by the bidder to DBE. Any falsification of information or documentation will result in disqualification of the bidder. The outcome of the validation process may affect the scores.

Phase 4: Pricing and Specific Goals

- 11.1.10. The applicable preference point system for this bid is the 90/10 preference point system in terms of Preferential Procurement Regulation 2022
- 11.1.11. Points for this bid (even in the case of a tender for income-generating contracts) shall be awarded for price and specific goals as determined in the DBE SCM Policy.
- 11.1.12. Failure on the part of a bidder to submit proof or documentation required in terms of this bid to claim points for specific goals, will be interpreted to mean that preference points for specific goals are not claimed.

12. FUNCTIONALITY EVALUATION

12.1. The functionality evaluation will be scored as per the table indicated below.

12.2. Bidders who meet the minimum functionality score of 90 in this phase will be shortlisted.

Item No.	Evaluation Criteria	Description			Total Score
1.	Project Plan	A project plan detailing the process of sourcing, procuring, warehousing and distributing dry and perishable food items to identified schools and ECD centres. The project plan should comprehensively cover the following:			20
		<ul style="list-style-type: none"> • Planning and Preparation • Timeframes • Business process including a fully operationally call centre and data management systems • Financial viability • Human Resources • Stakeholder Management • Sourcing and procurement of dry and perishable food items • Quality Assurance • Fully functional and Resourced Warehouses. These include: <i>Forklifts, trolley jacks, IT equipment, racking, coolers, scanners, etc.</i> • Distribution • Monitoring and Feedback • Reporting • Critical success factors • All of the above requirements included = 20 points • 10-12 requirements = 15 points • 8-9 requirements = 10 points • Less than 8 requirements = 5 points 			
BIDDERS SCORE OUT OF 20					

Item No.	Evaluation Criteria	Description			Total Score
2.	Experience	<p>Experience based on company profiles and reference letters</p> <p>Bidders experience in sourcing and procuring dry and perishable food items</p> <ul style="list-style-type: none"> • 10 years or more = 3 points • 5 - 9 years = 2 points • 1 – 4 years = 1 point • No experience = 0 points <p>Bidders experience in warehousing</p> <ul style="list-style-type: none"> • 10 years or more = 3 points • 5 - 9 years = 2 points • 1 – 4 years = 1 point • No experience = 0 points <p>Bidders experience in distribution</p> <ul style="list-style-type: none"> • 10 years or more = 3 points • 5 - 9 years = 2 points • 1 – 4 years = 1 point • No experience = 0 points <p>Reference letters must:</p> <ul style="list-style-type: none"> • Be on the client's letterhead • Cite these deliverables (sourcing and procuring and/or warehousing and/or distribution) of the project; • Detail the scope/size of the project; • Highlight performance of the bidder; • indicate monetary value of the project and dates; • letter must not be older than 10 years; and • contain contactable details. <p>In the case of a consortium or a joint venture, letters may come from different members of the consortium or a joint venture.</p> <p>Each item/component (sourcing, procuring, warehousing and distribution) in one letter or different letters will count as one. A cumulative count will be conducted to assess the count</p>			15

Item No.	Evaluation Criteria	Description			Total Score
		<p>A non-compliant letter is a letter that does not comply with the requirements indicated above, and that letter will not be considered.</p> <p>Sourcing and procuring</p> <ul style="list-style-type: none"> • 3 or more references to sourcing and procuring = 2 points • 1-2 references to sourcing and procuring = 1 point • No references to sourcing and procuring = 0 points <p>Warehousing</p> <ul style="list-style-type: none"> • 3 or more references to warehousing = 2 points • 1 - 2 references to warehousing = 1 point • No references to warehousing = 0 points <p>Distribution</p> <ul style="list-style-type: none"> • 3 or more references to distribution = 2 points • 1 - 2 references to distribution = 1 point • No references to distribution = 0 points 			
BIDDERS SCORE OUT OF 15					
3.	Warehouse Activity Requirements	<p>Master Distribution Centres (MDC):</p> <ul style="list-style-type: none"> • The bidder must demonstrate availability of three (3) dedicated and verifiable MDCs with a minimum space of 10 000 m² each = 5 points • The bidder does not demonstrate availability of three (3) dedicated and verifiable master distribution centres with a minimum space of 10 000 m² each = 0 points <p>Distribution Hubs</p> <ul style="list-style-type: none"> • Bidders must demonstrate availability of 50 dedicated and verifiable provincial distribution hubs with a minimum space of 1250m² each, excluding the master distribution centres = 5 points 			10

Item No.	Evaluation Criteria	Description			Total Score
		<ul style="list-style-type: none"> Bidders that demonstrate no availability of 50 dedicated and verifiable provincial distribution hubs with a minimum space of 1250m² each = 0 points 			
BIDDERS SCORE OUT OF 10					
4.	Distribution and Fleet	<p>Distribution Management Plan</p> <p>The bidder must outline the process they will follow in organizing and coordinating transportation and storage of dry and perishable food items / fresh produce = 0 – 5 points</p> <p>Fleet availability or written guarantees of distribution vehicles</p> <p>The bidder must demonstrate that they have enough delivery vehicles or provide written guarantees of distribution vehicles.</p> <p>i) A fleet/written guarantees allocated to the three (3) Master Distribution Centres to a total of:</p> <ul style="list-style-type: none"> 3 or more of 24 ton trucks per Master Distribution Centre; = 5 points Less than 3 of 24 ton trucks per Master Distribution Centre; = 0 points <p>ii) A fleet/written guarantees allocated to the Warehouse Hubs to a total of:</p> <ul style="list-style-type: none"> 3 or more of 2 – 8 ton trucks per warehouse hub = 5 points 3 or more of 0.5 – 1.5 tons of LDV bakkies per warehouse hub; = 5 points 			15
BIDDERS SCORE OUT OF 15					

Item No.	Evaluation Criteria	Description			Total Score
5.	Risk Management Strategy	<p>For business continuity assurance, the bidders are required to submit a comprehensive risk management strategy associated with:</p> <ul style="list-style-type: none"> • the sourcing and procuring, • warehousing • distribution • disaster management plan • must be accompanied by a mitigating action. <ul style="list-style-type: none"> • Comprehensive risk management strategy that addresses all of the above = 10 points • A plan that addresses 3-4 = 6 points • A plan that addresses 2 = 2 points 			10
BIDDERS SCORE OUT OF 10					
6.	Bidder Human Resources	<p>Bidder must provide a Human Resource Management Plan to acquire, train and upskill the required staff across the value chain</p> <p>The Human Resource Plan should include:</p> <ul style="list-style-type: none"> • Organogram • Roles/Functions • Recruitment Strategy • Training Plan <p>Scale 0 – 7 points</p> <ul style="list-style-type: none"> • Comprehensive HR plan including all items above = 7 points • 2-3 requirements = 4 points • Less than 2 requirements = 2 points <p>Labour Capacity <i>Composition of Labour Force - Staff complement for the duration of the contract: A</i></p>			10

Item No.	Evaluation Criteria	Description			Total Score
		<p>List of positions must be submitted indicating the anticipated gender of person/s to fill the position/s</p> <p>i) 40% or more staff is made up of Women = 1 point</p> <p>ii) Less than 40% staff is made up of Women = 0 points</p> <p>Staff complement for the duration of the contract: <i>A List of positions must be submitted indicating the anticipated Youth (18 – 35 years old) of person/s to fill the position/s</i></p> <p>iii) 20% or more staff is made up of Youth = 1 point</p> <p>iv) Less than 20% staff is made up of Youth = 0 points</p> <p>Staff complement for the duration of the contract: <i>A List of positions must be submitted indicating the anticipated Person/s with disability to fill the position/s</i></p> <p>v) 5% or more staff is made up of Persons with disabilities = 1 point</p> <p>vi) Less than 5% staff is made up of Persons with disabilities = 0 points</p>			
BIDDERS SCORE OUT OF 10					
7.	Local Economic Development Strategy	<p>Local Economic Development (LED) Strategy</p> <p>The Bidder is required to submit their LED strategy on how SMMEs, designated groups (Youth, Women and Persons with disabilities) and local communities will benefit from the project in all provinces.</p> <p>Designated Groups A bidder that submitted an LED strategy that demonstrates how designated groups (Youth, Women and Persons with disabilities) will</p>			10

Item No.	Evaluation Criteria	Description			Total Score
		<p>benefit from the project in all provinces = Scale of 0 - 3 points</p> <p>Present a strategy to benefit each of the below:</p> <ul style="list-style-type: none"> • Youth = 1 point • women = 1 point • persons with disabilities = 1 point • If the above is not included in the LED strategy = 0 points <p>SMMEs A bidder that submitted an LED strategy that demonstrates how SMMEs will benefit from the project in all provinces = Scale of 0 - 4 points</p> <ul style="list-style-type: none"> • A strategy to identify SMMEs = 2 points • A strategy to utilize SMMEs = 2 points • If the above is not included in the LED strategy = 0 points <p>Local communities A bidder that submitted an LED strategy that demonstrates how local communities will benefit from the project in all provinces = Scale of 0 - 3 points</p> <ul style="list-style-type: none"> • Identify skillsets in community to be used = 1 point • Provide training to develop resources = 1 point • Employ resources from the community = 1 point • If the above is not included in the LED strategy = 0 points 			
BIDDERS SCORE OUT OF 10					

Item No.	Evaluation Criteria	Description		Total Score
8.	Sourcing and Procuring	<p>The bidder must provide a comprehensive sourcing and procurement strategy that would detail how the will bidder will obtain the required food items.</p> <p>The strategy must include identification of suppliers, contract negotiations, to ensure that best quality food items are provider and value for money is derived, at the most competitive prices, applying economies of scale.</p> <p>= Scale 0 – 10 points</p> <ul style="list-style-type: none"> • Identification of suppliers = 2 point • Contract negotiation = 2 point • Sourcing strategy = 2 point • Procurement plan = 2 point • Demonstrate the benefit of economies of scale = 2 point • If none of the above are included = 0 points 		10
BIDDERS SCORE OUT OF 10				10
TOTAL SCORE				100
BIDDER'S TOTAL SCORE				

Each of the criteria will be assessed and scored on the evaluation sheet using the above weights.

Total (100)

Minimum threshold (90)

Note that bidders scoring less than 90 points will not be considered for the next stage of the evaluation.

13. PRICE AND PREFERENCE POINTS

13.1. Bids will be evaluated in terms of 90/10 preference point system where 90 points will be used for *price only* and 10 points for DBE specific goals. (Refer to attached SBD 6.1 form).

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

90/10

$$Ps = 90(1 - \frac{Pt - Pmin}{Pmin})$$

Where

$Pmin$

P_s = Points scored for price of tender under consideration

P_t = Price of tender under consideration

P_{min} = Price of lowest acceptable tender

Points Awarded for Specific Goals

13.3. 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 Black, Women, Living with disability, or Youth.

Note to Bidders:

13.4. The bidder must indicate how they claim points for each preference point system.

13.5. Allocation of points will be prorated as per percentage of ownership of each goal

13.6. DBE will verify the ownership percentage using CSD report, should there be discrepancies CSD report takes precedence.

13.7. Specific goals for the tender and points claimed are indicated per the table below

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 bidder)	Percentage (%) ownership per specific goals
Black People	3	DBE will utilise CSD Report to validate points claimed		
Women	3	DBE will utilise CSD Report to validate points claimed		
People living with Disability	1	<p>Submit any of the documents below:</p> <ul style="list-style-type: none"> • Proof of registration with National Council for Persons with Physical Disability in South Africa registration (NCPDPSA); OR • Medical Certificate 		
Youth	3	DBE will utilise CSD Report to validate points claimed		
Total Points	10			

14. CONTRACT PRICE ADJUSTMENTS

14.1. Formula

14.1.1. Prices submitted for this bid will be regarded as firm and subject to adjustment(s) in terms of the following formula, defined areas of cost and defined periods of time.

14.1.2. Applications for price adjustments must be accompanied by documentary evidence in support of any adjustment claim.

14.1.3. The following price adjustment formula will be applicable for calculating contract price adjustments (CPA).

$Pa = (1 - V)Pt(D1_{R1t}^{R1t} + D2_{R2t}^{R2t} + D3_{R3t}^{R3t} + D4_{R4t}^{R4t}) + VPt$		
Pa	=	The new adjusted price to be calculated
V	=	Fixed portion of the bid price (15% or 0.15)
Pt	=	Original bid price. Note that Pt must always be the original bid price and not an adjusted price.
(1-V)Pt	=	Adjustable portion of the bid price (85% or 0.85).
D1 – Dn	=	Each factor (or percentage) of the bid price, e.g., material, labour, transport, overheads, etc. The total of the various factors (or percentages) D1 – Dn must add up to 1 (or 100%).
R1t – Rnt	=	End Index. Index figure obtained from the index at the end of each adjustment period.
R1o–Rno	=	Base Index. Index figure at the time of bidding.
VPt	=	15% (or 0.15) of the original bid price. This portion of the bid price remains fixed, i.e. it is not subject to price adjustment.

14.2. Formula component definitions

14.2.1. Adjustable Amount

14.2.1.1. The adjustable amount is the portion of the bid price which is subject to adjustment. In this bid the adjustable amount is 85% of the original bid price. For example, if the bid price is R1000, then only R850 will be subject to adjustment.

14.3. Fixed portion

14.3.1. The fixed portion represents those costs which will not change over the adjustment period and DOES NOT represent the profit margin. In this bid the fixed portion is 15% of the original bid price. Using the same example as above, it would amount to R150 which will remain fixed over the contract period.

14.4. Cost components and proportions

14.4.1. The cost components of the contract price usually constitute the cost of direct labour, cost of transport and those other costs which are inclined to change.

14.4.2. The proportions are the contribution to the contract price of each of these cost components. In this bid the following cost components will be used to calculate contract price adjustments.

14.4.3. Bidders are requested to submit the cost breakdown of the bid price for each item with their bid.

14.4.4. Should the cost breakdown be the same for all items on the bid, please indicate it clearly in the bid document. Bidders will not be allowed to change the cost breakdown of bid prices during the tenure of the contract.

Cost Component	Percentage
D1 – Labour	
D2 – Transport	
D3 – Housing and utilities	
D4 – Insurance	
D5 – Other	
TOTAL (Cost components must add up to 100%)	100

14.5. Applicable indices / references

- 14.5.1. The applicable index refers to the relevant market index, which is a true reflection of price movement(s) in the cost over time. In this bid the following indices or reference will be applicable:

Cost component	Index Publication	Index Reference
D1 – Labour	STATS SA P0141 (CPI), Or Labour agreement	Table E - All Items Or Labour agreement to be provided
D2 – Transport	STATS SA P0141 (CPI) Or	Table E - Transport – Other Running Cost Or Table L2
D3 – Housing and utilities	STATS SA (CPI)	Table E – Housing and Utilities (Overall)
D4 – Insurance	STATS SA (CPI)	Table E – Insurance
D5 – Other	Specify	Documentary evidence to accompany claim during the adjustment period

14.6. Base Index Date

- 14.6.1. The base index date applicable to the formula is defined as the date at which the price adjustment starts. In this bid the base index date is 30 November 2021.

14.7. End Index Date

- 14.7.1. The end index dates are the dates at predetermined points in time during the contract period. In this bid the end indices are defined in the next paragraph (Price Adjustment Periods).

14.8. Price Adjustment Periods

- 14.8.1. Prices for this bid will be firm for the first year and will upon application, with supporting documentation, be adjusted for subsequent years.

14.9. Additional CPA requirements

- 14.9.1. Unless prior approval has been obtained from DBE, no adjustment in contract prices will be made by the contracted service provider or a consortium of service providers.
- 14.9.2. Applications for price adjustment must be accompanied by documentary evidence in support of any adjustment.
- 14.9.3. CPA applications will be applied strictly according to the specified formula and parameters above as well as the cost breakdown supplied by bidders in their bid documents.
- 14.9.4. An electronic price adjustment calculator will be available on request from DBE during the CPA period.
- 14.9.5. The Department reserves the right to negotiate a price adjustment or not grant any price adjustment.

15. PAYMENT

- 15.1. Payment shall be effected proportionately on completion of each phase of the project and within 30 days of receipt of valid original invoices.

16. COMMUNICATION

- 16.1. The DBE Supply Chain Management (SCM) Unit shall communicate with bidders where clarity is sought after the closing date and no other communication to any DBE official or a person acting in an advisory capacity for the State in respect of this bid between the closing date and the award of the bid may be entered into.
- 16.2. All communication between the bidder and the DBE must be in writing and addressed to SCM Office at NSNPMMod@dbe.gov.za

17. CONTACT DETAILS

Bid Enquiries

Department of Basic Education: Supply Chain Management,

E-mail: NSNPMMod@dbe.gov.za

Enquiries must be made at least twelve (12) days before the closing date of the bid and any enquiries after the twelve (12) days indicated will not be entertained.

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

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

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

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

2.2.1 If so, furnish particulars:

.....

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

2.3.1 If so, furnish particulars:

.....

3 DECLARATION

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

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

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

institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

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

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

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

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

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

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

1. GENERAL CONDITIONS

- 1.1 The following preference point systems are applicable to invitations to tender:
- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
 - the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2 To be completed by the organ of state

- a) The applicable preference point system for this tender is the **90/10** preference point system.

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

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

1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	90
SPECIFIC GOALS	10
Total points for Price and SPECIFIC GOALS	100

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

preferences, in any manner required by the organ of state.

2. DEFINITIONS

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

3.1.1 THE 90/10 PREFERENCE POINT SYSTEMS

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

90/10

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

Where

P_s = Points scored for price of tender under consideration

P_t = Price of tender under consideration

P_{min} = Price of lowest 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 tenderers:

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.*

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	3	DBE will utilise CSD Report to validate points claimed		
Women	3	DBE will utilise CSD Report to validate points claimed		
Disability	1	Submit any of the documents below: <ul style="list-style-type: none"> • South African Social Security Agency (SASSA) registration; OR • National Council for Persons with Physical Disability in South Africa registration (NCPDPSA); OR • Medical Certificate 		

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
Youth	3	DBE will utilise CSD Report to validate points claimed		
Total Points	10			

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:

.....

.....

.....

GOVERNMENT PROCUREMENT

GENERAL CONDITIONS OF CONTRACT

NOTES

The purpose of this document is to:

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

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

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

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General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:
 - 1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
 - 1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 “Day” means calendar day.
 - 1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.
 - 1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.
 - 1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
 - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
 - 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable.

Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

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

- | | |
|--|--|
| 2. Application | <p>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.</p> <p>2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.</p> <p>2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.</p> |
| 3. General | <p>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.</p> <p>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</p> |
| 4. Standards | <p>4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.</p> |
| 5. Use of contract documents and information; inspection. | <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> |
| 6. Patent rights | <p>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.</p> |
| 7. Performance security | <p>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.</p> |

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

**8. Inspections,
tests and
analyses**

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

supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

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

9. Packing

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

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
 - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
 - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
 - (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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

14. Spare parts

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

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

15. Warranty

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

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

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

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

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

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

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard

the intended penalty as not objected against and may impose it on the supplier.

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

25. Force Majeure

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security,

damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

**26. Termination
for insolvency**

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

**27. Settlement of
Disputes**

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

**28. Limitation of
liability**

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

		(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
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	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.

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

Js General Conditions of Contract (revised July 2010)