INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF FREE STATE HEALTH					
BID NUMBER:	**DOH(FS)01/2022/2023**	**CLOSING DATE:**	**08 JULY 2022**	**CLOSING TIME:**	**11H00**
DESCRIPTION	**INVITATION OF PROPOSALS FROM SUITABLY QUALIFIED SERVICE PROVIDERS TO ADMINISTER, PROCESS AND RECOVER CLAIMS IN RESPECT OF MEDICAL SUPPLIER CLAIMS IN TERMS OF SECTION 17 (5) OF THE ROAD ACCIDENT FUND ACT, 56 OF 1996, AS AMENDED (RAF ACT) ON BEHALF OF THE FREE STATE DEPARTMENT OF HEALTH (FSDOH), INCLUDING OCCUPATIONAL INJURIES AND DISEASES IN TERMS OF COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASES ACT, 130 OF 1993, AS AMENDED (COID ACT).** **PERIOD: DATE OF SIGNING OF CONTRACT FOR FIVE (05) YEARS.**				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).					

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT *(STREET ADDRESS*

DEPARTMENT OF FREE STATE HEALTH
GROUND FLOOR, BOPHELO HOUSE, BLOCK C-WEST, OPPOSITE MAIN DOOR
C/O CHARLOTTE MAXEKE STREET AND HARVEY ROAD, BLOEMFONTEIN
SUBMISSION ELECTRONICALLY TO THE FOLLOWING:

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					
TAX COMPLIANCE STATUS	TCS PIN:		**OR**	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	☐ Yes		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	☐ Yes	

[TICK APPLICABLE BOX]	☐ No		☐ No
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]			
ARE YOU THE ACCREDITED REPRESENTATIVE IN **SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?**	☐Yes ☐No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR **THE GOODS /SERVICES /WORKS OFFERED?**	☐Yes ☐No [IF YES, ANSWER PART B:3]
TOTAL NUMBER OF ITEMS OFFERED		**TOTAL BID PRICE**	**R**
SIGNATURE OF BIDDER	.....	**DATE**	
CAPACITY UNDER WHICH THIS BID IS SIGNED			

FOR PROCUREMENT OF DOCUMENT ENQUIRIES MAY BE DIRECTED TO:		**FOR BIDDING AND TECHNICAL INFORMATION ENQUIRIES MAY BE DIRECTED TO:**	
DEPARTMENT	FREE STATE HEALTH	CONTACT PERSON	Me. P.N Zihlangu Mr N.N Sibeko
CONTACT PERSON	S.W MALIEHE	TELEPHONE NUMBER	051 408 1287/1877
TELEPHONE NUMBER	051 408 1816/1160	FACSIMILE NUMBER	N/A
FACSIMILE NUMBER	N/A	E-MAIL ADDRESS	zihlangupn@fshealth.gov.za sibekon@fshealth.gov.za
E-MAIL ADDRESS	MalieheSW@fshealth.gov.za TsiloaneN1@fshealth.gov.za	**NB: Bidders may send any queries electronically to the above mentioned emails**	

PART B
TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:

1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.

1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE**

1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) ANDSPECIAL CONDITIONS OF CONTRACT.

2. TAX COMPLIANCE REQUIREMENTS

2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.

2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.

2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.

2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.

2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.

2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.

2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.

3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

3.1.	IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	☐ YES ☐ NO
3.2.	DOES THE ENTITY HAVE A BRANCH IN THE RSA?	☐ YES ☐ NO
3.3.	DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	☐ YES ☐ NO
3.4.	DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	☐ YES ☐ NO
3.5.	IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	☐ YES ☐ 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 ABOVE.

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

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

Signature Of Bidder: .....

Capacity Under Which This Bid Is Signed: .....

Date: .....

EXPLANATORY MEETING CERTIFICATE

BID NUMBER: **DOH (FS) 01/2022/2023** Attendance list number: _____

INVITATION OF PROPOSALS FROM SUITABLY QUALIFIED SERVICE PROVIDERS TO ADMINISTER, PROCESS AND RECOVER CLAIMS IN RESPECT OF MEDICAL SUPPLIER CLAIMS IN TERMS OF SECTION 17 (5) OF THE ROAD ACCIDENT FUND ACT, 56 OF 1996, AS AMENDED (RAF ACT) ON BEHALF OF THE FREE STATE DEPARTMENT OF HEALTH (FSDOH), INCLUDING OCCUPATIONAL INJURIES AND DISEASES IN TERMS OF COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASES ACT, 130 OF 1993, AS AMENDED (COID ACT).

Attendance of the explanatory meeting is Non - Compulsory

An official of the Department must sign this certificate at the explanatory meeting. No certificate will be signed outside the meeting. The original certificate must be included in the bid document and will not be accepted after the closing time and date of the bid.

EXPLANATORY MEETING DATE: 23 June 2022

TIME: 09H00

VENUE: **Auditorium, First Floor**
Bophelo House
CNR Charlotte Maxeke and Harvey Road
Bloemfontein, 9301

Should the bidder wish to attend the meeting through a virtual platform, the following link must be used to register: shorturl.at/auwHU

CONTACT PERSON/S: **Mr. N.N Sibeko**
Me. P.N Zihlangu
Tel: (051) 408 1287/1877)

This is to certify that _____ in his/her capacity as

_____ of the company _____ has attended the

explanatory meeting on the _____ day of _____ 2022 and is therefore

familiar with circumstances and the scope of the items to be supplied.

_____ _____
SIGNATURE /DEPARTMENTAL OFFICIAL **RANK**

_____ _____
SIGNATURE OF REPRESENTATIVE OF COMPANY **DATE**

OFFICIAL DATE STAMP

*** Note: Only one certificate per company**

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: DOH(FS)01/2022/2023
Closing Time: 11:00	Closing date: 08 July 2022

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

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)
1.	As required	Invitation of proposals from suitably qualified service providers to administer, process and recover claims in respect of medical supplier claims in terms of section 17 (5) of the road accident fund act, 56 of 1996, as amended (RAF ACT) on behalf of the free state department of health (FSDOH), including occupational injuries and diseases in terms of compensation for occupational injuries and diseases act, 130 of 1993, as amended (COID ACT).	(Financial proposal must be separately submitted in envelope 2)

(See attached Specification)

- Required by: Free State Department of Health
- At: Various Institutions
- 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

SBD 3.2

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: CPI Dated: April 2022

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)

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

health

Department of
Health
FREE STATE PROVINCE

INVITATION OF PROPOSALS FROM SUITABLY QUALIFIED SERVICE PROVIDERS TO ADMINISTER, PROCESS AND RECOVER CLAIMS IN RESPECT OF MEDICAL SUPPLIER CLAIMS IN TERMS OF SECTION 17 (5) OF THE ROAD ACCIDENT FUND ACT, 56 OF 1996, AS AMENDED (RAF ACT) ON BEHALF OF THE FREE STATE DEPARTMENT OF HEALTH (FSDOH), INCLUDING OCCUPATIONAL INJURIES AND DISEASES IN TERMS OF COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASES ACT, 130 OF 1993, AS AMENDED (COID ACT)

PERIOD: DATE OF SIGNING OF CONTRACT FOR FIVE (5) YEARS

For enquiries:
Mr NN Sibeko 051 408 1287 email sibekon@fshealth.gov.za
Ms PN Zihlangu 051 408 1877 email zihlangupn@fshealth.gov.za

1. SCOPE OF SERVICE

1.1 Rendering of a comprehensive, all-inclusive service to conduct claims recovery in respect of the past medical expenses claims (not claims under section 17 (1) which are commonly known as "Third Party" claims) against the Road Accident Fund (RAF) in terms of section 17(5) of the Road Accident Fund Act 56 of 1996 and occupational injuries and diseases claims against the Workmen's Compensation Fund in terms of the Compensation For Occupational Injuries And Diseases Act, 130 of 1993 (COID) in respect of medical expenses incurred for medical treatment and services rendered by the Free State Department of Health (FSDoH), to patients who attended the Department's facilities for medical treatment in respect of bodily injuries and diseases sustained by employees and road accident victims.

1.2 FSDOH will only compensate the bidder for claims that have been actually paid and/or successfully recovered from these statutory bodies.

1.3 Successful administering, processing and recovery of a claim shall be strictly measured on actual payment of a claim by the relevant statutory authority; therefore, settlement of a claim without actual payment will not give rise to a claim by the bidder or service provider for compensation by FSDOH.

1.4 All bidders are obliged to express their pricing as a percentage of anticipated recoveries and /or invoicing for evaluation purposes, failure to do so would result in disqualification of the bid.

2. TERM

2.1 Five years (5) from date of signing of the contract.

3. SPECIFICATIONS

3.1 TECHNICAL REQUIREMENTS

3.1.1 Successful bidder or contractor to provide a 24 hour per day, 7 days a week merit investigation assessment anywhere in the Free State Province, within 48 hours after admission/visit, for **all** accident cases and injury-on-duty cases receiving treatment at institutions under the control of the Department of Health.

The contractor will be required to obtain all RAF undertakings for further treatment, where required, from the patient or legal representative and to meet COID requirements with regards to the successful submissions of claims, including the capturing of claims in the COID system where required.

3.1.2 The contractor will be responsible to obtain all the relevant supporting documents and additional information to validate a claim including a copy of the identity document should the hospital be unsuccessful in doing so.

3.1.3 Bidder to indicate clearly how they intend to provide a service in the origination, verification, validation, submission and settlement of suppliers claims in terms of Road Accident Fund Act No 56 (RAF) and the Compensation for Occupational Injuries and Diseases Act of 1993 (COIDA).

The Department reserves the right to call for a presentation to the Department, before the awarding of the bid. The department further reserves the right to conduct

site visits and to call for further additional information for clarity if this would not disadvantage the other bidders.

3.1.4 Bidder must submit a monthly progress report on every claim to both the relevant hospital as well as the Directorate: Financial Accounting (Revenue Management), Department of Health, Free State Provincial Government.

The following reports;

- Overall picture of FSDOH claims that have been lodged with, settled by, rejected by COID and/or RAF.
- Invoices, medical and employer reports submitted to COID
- Payments received from RAF & COID
- Employer documentation outstanding from the hospital for COID
- Medical reports outstanding from the hospital for RAF & COID
- Invoices awaited from the hospitals for RAF & COID
- RAF and COID management reports

3.1.5 The bidder must be able to handle the electronic compilation of claims which includes the import of scanned documents. Evidence hereof must be provided.

3.1.6 Bidder must advise the hospital in respect of claims, which were originally allocated as RAF & COID, but are later found to have no valid claim. Reasons or evidence for the de-selection must be provided to the hospitals.

3.1.7 The contractor to conduct regular monthly reconciliation between the RAF and COID systems, the DOH systems and their system.

The scope of the reconciliation is an elaborate one and will be determined by FSDOH. FSDOH will also perform reconciliations on a quarterly basis, in which instance the contractor will be required to supply a full set of the data in their system.

The bidder must conduct monthly reconciliations on claims between the bidder and the Department's Billing-systems, and address discrepancies with the institutions. Bidder to fix errors, where identified, in the bidder's system before the next reconciliation. Bidder to explain the methodology that will be followed in terms of the reconciliation process. Experience and an example of reconciliation in this regard, must also be indicated.

3.1.8 The Department reserves the right to perform an independent reconciliation of the RAF and COID claims between the bidder and the Departments' data. Where requested by the Department, the bidder must supply an electronic file of all data pertaining to claims, including information that reflects the claim details as recorded in both the bidder and the RAF and COID data as well as information obtained after submissions. The required information will be specified by the Department.

3.1.9 Bidder must be able to, at own cost, reprint claims for resubmission to RAF and Compensation Fund (COID), where required and at short notice of a week or less.

3.1.10 The Contractor to obtain all undertakings and RAF and COID related documentation, which are required from the patient (or legal representative),

employer and service provider in terms of the Road Accident Fund Act No 56 and the Compensation for Occupational Injuries and Diseases Act of 1993 (COID).

3.1.11 Contractor to arrange clinical resources for completion of statutory medical reports, where required. Bidder to quote separately for completion of medical reports. NB: This will be an optional requirement.

3.1.12 Bidder to indicate if the knowledge and capacity exists to generate invoices at COID tariffs, based on clinical information reflected on the invoices supplied by the institution. Proof of similar work previously/currently undertaken may be provided where available with the bid document as substantiation.

3.1.13 Bidder must control the claims and inform the Provincial Office on payment. All payments by RAF and COID must be paid directly into the Department's bank account and the bidder will have to supply a remittance advice for ALL payments received.

3.1.14 Bidder must be able to supply the following management reports, amongst others, to the Department on a monthly basis:

- An age analysis, per institution, of all claims submitted to RAF and COID
- A report, per institution, that indicates the current status of the accounts with RAF & COID.
- A progress report, per institution, that indicates the number and value of claims received, submitted, offers received, payments and outstanding balance, as at the close of each month. Examples of existing system reports in this regard to be included in the bidder's response.
- A Departmental summary on the claims age analysis, claims submitted and paid per month as well as claims due to prescribe.

3.2 FINANCIAL REQUIREMENTS

3.2.1 The bidder must indicate the number, level of experience and qualifications of staff that will be dedicated to this project. The resources should be allocated to a specific designation (job description) as described in this tender.

3.2.2 The bidder must indicate the details of Information Technology (IT) systems to be used with reference to at least, the functionality of the system specific to supplier claims, volume of claims processed through the system, the number of users and the technology utilised by the system. The bidders system must also be able to cater and monitor the progress of claim(s) until it is settled by RAF and COID.

3.2.3 In order to demonstrate capacity in terms of resources and IT systems, evidence must be submitted indicating capacity to manage claims in excess of R500 million and 100 000 invoices.

3.2.4 Bidder must undertake to handle all existing outstanding claims in respect of RAF and COID cases as well as new claims.

3.2.5 The successful bidder will liaise with the provincial Revenue Management office and the identified official at institutional level, once the bid has been awarded.

3.2.6 The bidder must indicate the following:

3.2.6.1 Names of existing clients in the public healthcare sector or public healthcare establishments for whom suppliers' claims are lodged against the Road Accident Fund and Workmen's Compensation Commissioner and for how long they have been clients.

3.2.6.2 Track record of results obtained for these clients with reference to at least, number and value of claims processed in the past year, recovery period of these claims, from date of treatment to money paid to clients, cost of treatment and the value recovered from the Workmen's Compensation Commissioner, number of defended matters out of the pool of suppliers' claims processed.

3.3 LEGAL REQUIREMENTS

3.3.1 The bidder will ensure that the claims process, which they adopt, complies with all National and Provincial legal and ethical requirements applicable to the Department of Health, Free State Provincial Government.

3.3.2 The Department reserves the right to increase or decrease the number of hospitals/institutions or exclude some of its hospitals/institutions in the Free State from this bid. A 30-day notice period in respect of any changes will be given.

3.3.3 The Department reserves the right to accept or reject any or all of the offers received.

3.3.4 A service level agreement, based on the terms of the bid, to ensure the mutual understanding and acceptability of the procedures of handling claims and relationships with hospitals and Emergency Medical Services, will be entered into with the successful bidder.

3.3.5 The successful bidder will be acting exclusively on behalf of the Department of Health and should have no ties with either the patients, or any representative of the patient acting on their behalf, other than where required for performance in terms of the bid.

3.3.6 All monies payable by the Workmen's Compensation Commissioner will be paid into the main bank account of the FSDOH.

3.3.7 If the Workmen's Compensation Commissioner does not settle the claim, the bidder must investigate and advise the Provincial Office if the merits warrant that a summons be served. The Department will instruct the State Attorney accordingly, or may request the bidder to issue summons. All legal costs to be recovered from the Workmen's Compensation Commissioner.

3.3.8 Confidentiality must be maintained in respect of all claims handled for this bid.

3.3.9 The successful bidder shall clearly show the procedure and documentation for conclusion of outstanding claims on completion of the contract period, up to and inclusive of the last calendar day of the contract period. This shall include new cases for processing, up to and inclusive of the last calendar day of the contract period. (Section 5 refers).

3.3.10 The bidder must investigate all repudiations and must ensure that supporting evidence is supplied to the hospitals for claims repudiated. Where necessary repudiations must be resolved with the RAF.

3.3.11 The bidder will be acting exclusively on behalf of the Department of Health and should have no ties with either the patients, or any representative of the patient acting on their behalf.

3.3.12 If a claim is not settled by RAF or COID, the bidder must investigate and advice the Department if the merits warrant that a summons be served. The Bidder will institute legal action where advised by the Department.

3.3.13 The bidder shall show clearly the status with corresponding documentation for conclusion of outstanding claims on completion of the contract period, up to and inclusive of the last calendar day of the contract period. This shall include new cases for processing, up to and inclusive of the last calendar day of the contract period. All data in the bidder's IT system pertaining to claims (settled, outstanding or otherwise) in terms of this contract must also be supplied in an electronic format as specified by the Department. All scanned documents pertaining to claims (settled, outstanding or otherwise) must also be supplied in an electronic format as specified by the Department. A final reconciliation between the bidder, RAF and COID as well as between the bidder and the Department will have to be conducted and reported on as specified by the Department.

3.3.14 All claims for cases reported as at the last day of the contract must still be processed for payment by the bidder. The bidder must ensure that adequate resources in terms of IT and administrative support are available for the purpose.

3.3.15 The Department will indicate disposal instructions, for the bidder's account, regarding documentation supplied to the bidder which is no longer required by the Department.

3.4 LOCAL REQUIREMENTS

3.4.1 The bidder must provide detailed training to the staff of the Department regardless of the geographic location of the trainees.

3.4.2 The successful bidder must provide office and support facilities in the Free State specifically Bloemfontein and shall provide services relating to all branches of the Road Accident Fund and the Workmen's Compensation Commissioner nationally. It is the intention of the Department to engage in regular meetings with the contractor in order to enhance the merit assessments and the billing support at all hospitals treating RAF and IOD cases. It is therefore a requirement that bidders have an established branch and a dedicated project manager within the Free State who could be consulted at short notice to deal with the aforementioned and/or any other queries.

3.4.3 The bidder will be required to generate invoices at COID tariffs and specifications, based on clinical information reflected on the invoices supplied by the institution.

3.5 ACCOUNTING AND LIAISON

3.5.1 Every participating Hospital/Institution/District and the Contractor shall each appoint a project officer (Departmental Project Officer (DPO) and Contractor Project Officer

(CPO) respectively) who shall work in close co-operation in order to facilitate the flow of information, solving of problems, accounts, payments, etc. between the parties.

3.5.1 The Contractor must apply generally accepted accounting practices and will keep all accounting records in respect of the rendering of the proposed debt collecting services.

3.5.2 The accounting period shall run from the first day until the last day of each month.

3.5.3 The amount claimed monthly from the Department in respect of debts collected, shall not exceed the percentage offered in terms of the bid.

3.5.4 All payments made by the Workmen's Compensation Commissioner (and by any other party where applicable) must be paid directly into the main bank account of the DOH. Such payments must be made by means of electronic fund transfer (EFT).

3.5.5 The DPO and the CPO will keep account of and monitor the number and amount of accounts recovered in terms of this contract.

3.5.6 The Contractor shall submit an invoice to the Directorate; Financial Accounting (Revenue Management) on a monthly basis, reflecting per hospital, the amounts recovered for the month for RAF and COID and the percentage commission earned.

3.5.7 The Department will pay the percentage claimed on the Invoice, after verification, within 30 days of receipt of the invoice.

3.5.8 The FSDoH shall certify each monthly statement submitted by the Contractor.

3.5.9 The DPO has the final responsibility to ensure that the service rendered by the Contractor to the Hospital/Institution conforms to the specifications of the contract.

3.5.10 If any payments are received within 30 business days, from date of handover, the Contractor will not be entitled to any commission thereon. Commission cannot be claimed for invoices already submitted (by the DoH) to the Commissioner.

3.6 GENERAL

3.6.1 It is a condition of bid that only one bidder can be accepted to render this service.

3.6.2 The successful bidder shall remain accountable for all monies outstanding from the Workmen's Compensation Commissioner and shall complete the processing of all claims up to and including the last day of the contract period.

3.6.3 Annexure A is attached of a list of all the hospitals in the Province.

4. EVALUATION

4.1 All acceptable bidders will be evaluated in accordance with the following requirements.

4.1.1 Technical capacity to manage RAF medical supplier (total excess of R500m and 100 000 invoices) and COID claims, perform the assessment within 48 hours after the injury for all hospitalised cases. A minimum of five (5) years' experience is

required with regard to management of the medical supplier claims in terms of section 17(5) of the RAF Act and at least three (3) years' experience in the management of COID claims.

4.1.2 Bidders should provide references with contact details of similar project performed for Government Departments or corporate companies.

4.1.3 Legal capacity to support the claim and prepare the summons where the bill remains unpaid after 120 days and give other legal support. The bidders must provide details as proof of their capacity in this regard.

4.1.4 The bidder must provide proof, in terms of ability and experience of submitting supplier claims electronically to the Road Accident Fund, such to be accompanied by the type of hindrances experienced, how those hindrances were mitigated and also provide the successes of submitting the claims electronically to the RAF. Number and the value of claims submitted electronically versus manual submissions is required.

4.1.5 It is the intention of the Department to engage in regular meetings with the contractor in order to enhance the merit assessments and the billing support at all hospitals treating IOD and RAF victims. It is therefore a requirement that bidders either have an established branch or representative/s within the Free State who could be consulted at short notice to deal with the aforementioned and/or any other queries. (NB: after awarding of the contract, the bidder is expected to have a branch as well as the representative in the Free State.

4.1.6 The bid will be evaluated in terms of price and functionality:

Functionality	= 45
Price	= 90
B-BBEE STATUS LEVEL OF CONTRIBUTION	= 10

4.1.6 FUNCTIONALITY REQUIREMENTS

A bidder must score a minimum of 18 out of 45 points on functionality in order to be considered for further evaluation. Bids will be evaluated individually and scored by an evaluation panel according to the evaluation criteria mentioned below.

The bid will be evaluated in terms of price and functionality:

4.1.6.1 CRITERIA FOR FUNCTIONALITY (TECHNICAL EVALUATION)

FUNCTIONALITY	DESCRIPTION	WEIGHT
ROAD ACCIDENT FUND ACT No 55 of 1996, as amended section 17 (5)		**20**
Proven experience **(5 marks)**	• (Minimum of five (5) years) in the management of **medical supplier claims**	
Proof of previous contract highlighting the work done for supplier claims with the RAF.**(5 marks)**	• Copy of the contract where the contract number and the signature of the Accounting Officer is visible.	
Forms used when lodging claims with the RAF **(2.5 marks)**	• A sample of forms that are used when claiming.	
Methodology **(5 marks)**	• The bidder must map out how it intends to provide a service in the origination, verification, validation, investigation, submission, settlement of claims and allocation of payments to the claim and an example of the reconciliation to be attached.	
CV's of the staff that will be dedicated to this project **(2.5 marks)**	• All CV's must indicate / reflect the qualifications and experience in the field.	

The proven ability and experience of submitting supplier claims electronically to the Road Accident Fund in terms of S17(5) of RAF Act. RAF identified a gap in the supplier claims process, and adopted that supplier claims should be automated. Some of the objectives which are meant to assist both the hospitals and the RAF are: - Reduce the volumes of paper claims received. - Reduce the number of claims captured incorrectly. - Suppliers to be able to query all claims lodged on line. - Suppliers to be able to track the status of the claim anytime. Currently the manual processing is a very tedious and is deemed to be a slow exercise to both RAF and the hospitals as it becomes too time consuming to do the reconciliation.	• Provide the system reports of the claims submitted electronically.(refer to 3.2.3) (5 marks) • Bidders are required to indicate which (supplier(s)) have they submitted supplier claims for electronically? (2 marks) • duration of lodging those claims, (2 marks) • the challenges encountered and how those challenges were resolved (1 marks)	**10**
COMPENSATION OF OCCUPATIONAL INJURIES AND DISEASES ACT 130 of 1993 as amended		**10**
Proven experience **(2.5 marks)** Proof of previous contract highlighting the work done for supplier claims with the Compensation Fund. **(2.5 marks)** Forms used when lodging claims with the Compensation Fund **(2.5 marks)** Report on submission and recovery of claims **(2.5 marks)**	• (Minimum of five (5) years) in the management of **medical supplier claims** • Copy of the contract where the contract number and the signature of the Accounting Officer is visible. • A sample of forms that are used when claiming. • Attach a system generated report with regard to the submission and recovery of the COID claims against WCA.	

Describe the strategy you would employ to prevent the prescription of claims where the claim remains unpaid after 120 days. The bidders must provide details as proof of their capacity in this regard. (refer to 4.1.3)	This refers to the ability to interpret the relevant provisions of the RAF Act and other applicable legislation, the merits of the claim to avoid repudiation/rejection, the legal meaning of a procedurally valid claims and circumstances where necessary to issue summons against the Fund.	**5**

4.1.6.2 The two-stage bidding process will be used and bidders are required to submit the following:

- Envelope (1) must be marked: Technical Proposal
- Envelope (2) must be marked: Financial Proposal.

5. TERMINATION OF THE AGREEMENT

5.1 The Department shall be entitled forthwith to terminate the contract by written notice to the Contractor if:

5.1.1 The Contractor makes any voluntary arrangements with its creditors or becomes subject to an administration order;

5.1.2 The Contractor commits an act of insolvency or is placed under a provisional or final winding-up or judicial management order or fails to satisfy or take steps to have set aside any judgement taken against it within 7 (seven) days after such judgement has come to its notice.

5.1.3 The Contractor commits a breach of the terms and conditions of the contract, all of which are declared material and fails to remedy (must be completed) such a breach.

5.1.4 The Contractor abandons the Project (other than as a consequence of a breach by the Department of its obligations under this contract);

5.1.5 The Contractor ceases to provide all or a substantial part of the services in accordance with this contract (other than as a consequence of a breach by the Department of its obligations under this contract).

6. CONSEQUENSCES OF TERMINATION, BREACH AND EXPIRY

6.1 Upon termination as a result of breach by either party the Contractor shall;

6.1.1 Within 30 (thirty) calendar days after termination, return to the various Instructing institutions, all the accounts and updated supporting information and documentation related to the handed over debt.

(1) The time and manner of the delivery of the said documentation will be as agreed upon between the parties.

(2) Notwithstanding the above, the Department reserves the right to forthwith collect such documentation from the Contractor. The Contractor shall have no claim of whatsoever nature arising from such a collection of documentation by the Department.

6.1.2 Forthwith refrain from taking any further steps of whatsoever nature in respect of the collection of the debts that was transferred back to the Department, upon termination of the Agreement.

6.1.3 Adhere and act in accordance with the process as set out in Contract.

6.1.4 Compile and serve on the Department a final reconciliation report within 30 (thirty) calendar days from the date of termination.

6.2 Termination as a result of the expiry of the contract

6.2.1 The above prescripts will also apply in respect of the final reconciliation process at the expiry of this Agreement. It is recorded that no extension of the Agreement may be granted unless the final reconciliation process has been completed and serve on the Department.

6.2.2 Prior to the Department exercising its right to extend the contract period, the Contractor shall provide the Department within 14 (fourteen) calendar days from the date of the expiry of the contract, with a detailed schedule in respect of debt in which the Contractor has initiated the collection process and has collected some of the outstanding debt.

6.2.3 The Department will serve a written notice on the Contractor within 30 (thirty) calendar days from date of receiving the Contractor's schedule, indicating whether the contract period will be extended or not.

6.2.4 At the expiry of the contract, the Contractor will handover all the relevant documentation to the Department within 30 (thirty) calendar days from date of termination.

6.3 Upon termination of this Agreement for whatever reason all and any confidential Information or any other information or documentation or records of whatever nature which came to the knowledge of and/or are in the possession or under control of the Contractor, through the existence of this Agreement, including any information relating to the debtor,

6.3.1 shall remain confidential and must not be disclosed by the Contractor to any third party without the Department's prior written consent;

6.3.2 must be returned to the Department within 30 days of termination in the same electronic format as per the format in which the data was originally supplied by the Department to the Contractor. All documentation must be supplied electronically in either Microsoft Word or Adobe Acrobat Reader (*.pdf) format.

6.4 Upon termination of this Agreement for whatever reason the Contractor must provide final reports to the Department in Microsoft Excel format in respect of each debt handed over in terms of this Agreement, together with all available information on the debtor.

7. NON-COMPULSORY EXPLANATORY MEETING

Date : 23 June 2022
Time : 09:00
Venue: Auditorium, First Floor
Bophelo House, c/o Charlotte
Maxeke Street and Harvey Road
Bloemfontein

Should the bidder wish to attend the meeting through a virtual platform, the following link must be used to register: shorturl.at/auwHU

8. FURTHER INFORMATION

8.1 For clarity or any further information regarding RAF and COID
Mr NN Sibeko and Ms Pumeza Zihlangu may be contacted on 051 408-1287/1877 email SibekoNN@fshealth.gov.za or Zihlangupn@fshealth.gov.za

ANNEXURE A
HOSPITALS IN THE PROVINCE:

No.	Category	Name	Level	Town
1.	Academic Hospital	UNIVERSITAS HOSPITAL	3	BLOEMFONTEIN
2.	Tertiary Hospital	PELONOMI HOSPITAL	3	BLOEMFONTEIN
3.	District Hospital	NATIONAL HOSPITAL	1	BLOEMFONTEIN
4.	District Hospital	BOTSHABELO HOSPITAL	1	BOTSHABELO
5.	District Hospital	DR J S MOROKA DISTRICT HOSPITAL	1	SELOSESHA
6.	District Hospital	SENORITA NTLABATHI DISTRICT HOSPITAL	1	LADYBRAND
7.	District Hospital	DIAMANT DISTRICT HOSPITAL	1	JAGERSFONTEIN
8.	District Hospital	STOFFEL COETZEE DISTRICT HOSPITAL	1	SMITHFIELD
9.	District Hospital	EMBEKWENI DISTRICT HOSPITAL	1	ZASTRON
10.	Regional Hospital	BONGANI HOSPITAL	2	WELKOM
11.	District Hospital	NALA DISTRICT HOSPITAL	1	BOTHAVILLE
12.	District Hospital	MOHAU DISTRICT HOSPITAL	1	HOOPSTAD
13.	District Hospital	THUSANONG DISTRICT HOSPITAL	1	ODENDAALSRUS
14.	District Hospital	KATLEHO DISTRICT HOSPITAL	1	VIRGINIA
15.	District Hospital	WINBURG PROVINCIAL HOSPITAL	1	WINBURG
16.	Regional Hospital	BOITUMELO REGIONAL HOSPITAL	2	KROONSTAD
17.	District Hospital	PARYS HOSPITALS	1	PARYS
18.	District Hospital	FEZI NGUBENTOMBI DISTRICT HOSPITAL	1	SASOLBURG
19.	District Hospital	TOKOLLO DISTRICT HOSPITAL	1	HEILBRON
20.	District Hospital	MAFUBE DISTRICT HOSPITAL	1	FRANKFORT
21.	Regional Hospital	MOFUMAHADI MANAPO MOPELI REGIONAL HOSPITAL	2	WITSIESHOEK
22.	Regional Hospital	DIHLABENG REGIONAL HOSPITAL	2	BETHLEHEM
23.	District Hospital	PHUMELELA HOSPITAL	1	VREDE
24.	District Hospital	PHEKOLONG HOSPITAL	1	BETHLEHEM

25.	District Hospital	ELIZABETH ROSS HOSPITAL	1	WITSIESHOEK
26.	District Hospital	JOHN DANIEL NEWBERRY DISTRICT HOSPITAL	1	CLOCOLAN
27.	District Hospital	NKENTOANA HOSPITAL	1	REITZ
28.	District Hospital	THEBE DISTRICT	1	HARRISMITH
29.	District Hospital	ITEMOHENG HOSPITAL	1	SENEKAL
30.	District Hospital	PHUTHULOHA DISTRICT HOSPITAL	1	FICKSBURG
31.	District Hospital	ALBERT NZULA	1	TROMPSBURG
32.	EMS	EMERGENCY MEDICAL SERVICES		

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

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

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

2.2.1 If so, furnish particulars:

.....

.....

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

2.3.1 If so, furnish particulars:

.....

.....

3 DECLARATION

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

3.1 I have read and I understand the contents of this disclosure;

3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;

3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium2 will not be construed as collusive bidding.

3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.

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.

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

3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

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

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

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

SBD 6.1

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.

---

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids:

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

1.2

a) The value of this bid is estimated does not exceed R50 000 000 (all applicable taxes included) and therefore either the **90/10** or **80/20** preference point system to be applied subject to the lowest bid received.

1.3 Points for this bid shall be awarded for:

(a) Price; and

(b) B-BBEE Status Level of Contributor.

1.4 The maximum points for this bid are allocated as follows:

	POINTS
PRICE	80/90
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20/10
Total points for Price and B-BBEE must not exceed	100

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

2. DEFINITIONS

(a) **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;

(b) **"B-BBEE status level of contributor"** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

(c) **"bid"** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;

(d) **"Broad-Based Black Economic Empowerment Act"** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);

(e) **"EME"** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;

(f) **"functionality"** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.

(g) **"prices"** includes all applicable taxes less all unconditional discounts;

(h) **"proof of B-BBEE status level of contributor"** means:

1) B-BBEE Status level certificate issued by an authorized body or person;

2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;

3) Any other requirement prescribed in terms of the B-BBEE Act;

(i) **"QSE"** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;

(j) **"rand value"** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

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

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

80/20 **or** **90/10**

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

Where

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

Pmin = Price of lowest acceptable bid

4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

5. BID DECLARATION

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

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

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

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

7. SUB-CONTRACTING

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

(***Tick applicable box***)

YES		NO	

7.1.1 If yes, indicate:

i) What percentage of the contract will be subcontracted.....%
ii) The name of the sub-contractor.....
iii) The B-BBEE status level of the sub-contractor.....
iv) Whether the sub-contractor is an EME or QSE
(Tick applicable box)

YES		NO	

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

Designated Group: An EME or QSE which is at last 51% owned by:

EME √	QSE √

Black people
Black people who are youth
Black people who are women
Black people with disabilities
Black people living in rural or underdeveloped areas or townships
Cooperative owned by black people
Black people who are military veterans

OR

Any EME
Any QSE

8. **DECLARATION WITH REGARD TO COMPANY/FIRM**

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

8.2 VAT registration number:.....

8.3 Company registration number:.....

8.4 TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium

One person business/sole propriety

Close corporation

Company

(Pty) Limited

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

8.6 COMPANY CLASSIFICATION

Manufacturer

Supplier

Professional service provider

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

[*TICK APPLICABLE BOX*]

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

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

i) The information furnished is true and correct;

ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;

iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –

(a) disqualify the person from the bidding process;

(b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;

(c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

(d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and

(e) forward the matter for criminal prosecution.

WITNESSES

1. .....

2. .....

.....

SIGNATURE(S) OF BIDDERS(S)

DATE: .....

ADDRESS .....

.....

.....

SWORN AFFIDAVIT – B-BBEE EXEMPTED MICRO ENTERPRISE - GENERAL

I, the undersigned,

Full name & Surname	
Identity number	

Hereby declare under oath as follows:

1. The contents of this statement are to the best of my knowledge a true reflection of the facts.
2. I am a Member / Director / Owner of the following enterprise and am duly authorised to act on its behalf:

Enterprise Name:	
Trading Name (If Applicable):	
Registration Number:	
Enterprise Physical Address:	
Type of Entity (CC, (Pty) Ltd, Sole Prop etc.):	
Nature of Business:	
Definition of "Black People"	As per the Broad-Based Black Economic Empowerment Act 53 of 2003 as Amended by Act No 46 of 2013 "Black People" is a generic term which means Africans, Coloureds and Indians – (a) who are citizens of the Republic of South Africa by birth or descent; or (b) who became citizens of the Republic of South Africa by naturalisation- i. before 27 April 1994; or ii. on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalization prior to that date;"
Definition of "Black Designated Groups"	"Black Designated Groups means: (a) unemployed black people not attending and not required by law to attend an educational institution and not awaiting admission to an educational institution; (b) Black people who are youth as defined in the National Youth Commission Act of 1996; (c) Black people who are persons with disabilities as defined in the Code of Good Practice on employment of people with disabilities issued under the Employment Equity Act; (d) Black people living in rural and under developed areas; (e) Black military veterans who qualifies to be called a military veteran in terms of the Military Veterans Act 18 of 2011;"

3. I hereby declare under Oath that:

- The Enterprise is _____% Black Owned as per Amended Code Series 100 of the Amended Codes of Good Practice issued under section 9 (1) of B-BBEE Act No 53 of 2003 as Amended by Act No 46 of 2013,
- The Enterprise is _____% Black Female Owned as per Amended Code Series 100 of the Amended Codes of Good Practice issued under section 9 (1) of B-BBEE Act No 53 of 2003 as Amended by Act No 46 of 2013,
- The Enterprise is _____% Black Designated Group Owned as per Amended Code Series 100 of the Amended Codes of Good Practice issued under section 9 (1) of B-BBEE Act No 53 of 2003 as Amended by Act No 46 of 2013,
- Black Designated Group Owned % Breakdown as per the definition stated above:
    - Black Youth % = _____%
    - Black Disabled % =_____%
    - Black Unemployed % =_____%
    - Black People living in Rural areas % = _____%
    - Black Military Veterans % =_____%

- Based on the Financial Statements/Management Accounts and other information available on the latest financial year-end of _____, the annual Total Revenue was R10,000,000.00 (Ten Million Rands) or less
- Please Confirm on the below table the B-BBEE Level Contributor, **by ticking the applicable box.**

100% Black Owned	**Level One** (135% B-BBEE procurement recognition level)	
At least 51% Black Owned	**Level Two** (125% B-BBEE procurement recognition level)	
Less than 51% Black Owned	**Level Four** (100% B-BBEE procurement recognition level)	

4. I know and understand the contents of this affidavit and I have no objection to take the prescribed oath and consider the oath binding on my conscience and on the Owners of the Enterprise which I represent in this matter.

5. The sworn affidavit will be valid for a period of 12 months from the date signed by commissioner.

Deponent Signature: _____

Date: _____

_____

Commissioner of Oaths
Signature & stamp

SWORN AFFIDAVIT – B-BBEE EXEMPTED MICRO ENTERPRISE – SPECIALISED ENTITY - GENERAL

I, the undersigned,

Full name & Surname	
Identity number	

Hereby declare under oath as follows:

1. The contents of this statement are to the best of my knowledge a true reflection of the facts.
2. I am a Director of the following enterprise and am duly authorised to act on its behalf:

Enterprise Name:	
Trading Name (If Applicable):	
Registration Number:	
Enterprise Physical Address:	
Type of Entity (NPO, PBO etc.):	
Nature of Business:	
Definition of "Black People"	As per the Broad-Based Black Economic Empowerment Act 53 of 2003 as Amended by Act No 46 of 2013 "Black People" is a generic term which means Africans, Coloureds and Indians – (a) who are citizens of the Republic of South Africa by birth or descent; or (b) who became citizens of the Republic of South Africa by naturalisation- i. before 27 April 1994; or ii. on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalization prior to that date;"
Definition of "Black Designated Groups"	"Black Designated Groups means: (a) unemployed black people not attending and not required by law to attend an educational institution and not awaiting admission to an educational institution; (b) Black people who are youth as defined in the National Youth Commission Act of 1996; (c) Black people who are persons with disabilities as defined in the Code of Good Practice on employment of people with disabilities issued under the Employment Equity Act; (d) Black people living in rural and under developed areas; (e) Black military veterans who qualifies to be called a military veteran in terms of the Military Veterans Act 18 of 2011;"

3. I hereby declare under Oath that:

- The Enterprise has _____% Black Beneficiaries as per Amended Code Series 100 of the Amended Codes of Good Practice issued under section 9 (1) of B-BBEE Act No 53 of 2003 as Amended by Act No 46 of 2013,
- The Enterprise has _____% Black Female Beneficiaries as per Amended Code Series 100 of the Amended Codes of Good Practice issued under section 9 (1) of B-BBEE Act No 53 of 2003 as Amended by Act No 46 of 2013,
- The Enterprise has _____% Black Designated Group Beneficiaries as per Amended Code Series 100 of the Amended Codes of Good Practice issued under section 9 (1) of B-BBEE Act No 53 of 2003 as Amended by Act No 46 of 2013,
- Black Designated Group Beneficiary % Breakdown as per the definition stated above:
    - Black Youth % = _____%
    - Black Disabled % = _____%
    - Black Unemployed % = _____%
    - Black People living in Rural areas % = _____%
    - Black Military Veterans % = _____%

- Based on the Financial Statements/Management Accounts and other information available on the latest financial year-end of _____, the annual Total Revenue/Allocated Budget/Gross Receipts was R10,000,000.00 (Ten Million Rands) or less

- Please Confirm on the below table the B-BBEE Level Contributor, **by ticking the applicable box.**

At Least 75% Black Beneficiaries	**Level One** (135% B-BBEE procurement recognition level)	
At Least 51% Black Beneficiaries	**Level Two** (125% B-BBEE procurement recognition level)	
Less than 51% Black Beneficiaries	**Level Four** (100% B-BBEE procurement recognition level)	

4. I know and understand the contents of this affidavit and I have no objection to take the prescribed oath and consider the oath binding on my conscience and on the Owners of the Enterprise which I represent in this matter.

5. The sworn affidavit will be valid for a period of 12 months from the date signed by commissioner.

Deponent Signature: _____

Date: _____

_____

Commissioner of Oaths
Signature & stamp

SWORN AFFIDAVIT – B-BBEE QUALIFYING SMALL ENTERPRISE - GENERAL

I, the undersigned,

Full name & Surname	
Identity number	

Hereby declare under oath as follows:

1. The contents of this statement are to the best of my knowledge a true reflection of the facts.
2. I am a Member / Director / Owner of the following enterprise and am duly authorised to act on its behalf:

Enterprise Name:	
Trading Name (If Applicable):	
Registration Number:	
Enterprise Physical Address:	
Type of Entity (CC, (Pty) Ltd, Sole Prop etc.):	
Nature of Business:	
Definition of "Black People"	As per the Broad-Based Black Economic Empowerment Act 53 of 2003 as Amended by Act No 46 of 2013 "Black People" is a generic term which means Africans, Coloureds and Indians – (a) who are citizens of the Republic of South Africa by birth or descent; or (b) who became citizens of the Republic of South Africa by naturalisation- i. before 27 April 1994; or ii. on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalization prior to that date;"
Definition of "Black Designated Groups"	"Black Designated Groups means: (a) unemployed black people not attending and not required by law to attend an educational institution and not awaiting admission to an educational institution; (b) Black people who are youth as defined in the National Youth Commission Act of 1996; (c) Black people who are persons with disabilities as defined in the Code of Good Practice on employment of people with disabilities issued under the Employment Equity Act; (d) Black people living in rural and under developed areas; (e) Black military veterans who qualifies to be called a military veteran in terms of the Military Veterans Act 18 of 2011;"

3. I hereby declare under Oath that:

- The Enterprise is _____% Black Owned as per Amended Code Series 100 of the Amended Codes of Good Practice issued under section 9 (1) of B-BBEE Act No 53 of 2003 as Amended by Act No 46 of 2013,
- The Enterprise is _____% Black Female Owned as per Amended Code Series 100 of the Amended Codes of Good Practice issued under section 9 (1) of B-BBEE Act No 53 of 2003 as Amended by Act No 46 of 2013,
- The Enterprise is _____% Black Designated Group Owned as per Amended Code Series 100 of the Amended Codes of Good Practice issued under section 9 (1) of B-BBEE Act No 53 of 2003 as Amended by Act No 46 of 2013,
- Black Designated Group Owned % Breakdown as per the definition stated above:
    - Black Youth % = _____%
    - Black Disabled % =_____%
    - Black Unemployed % =_____%
    - Black People living in Rural areas % = _____%
    - Black Military Veterans % =_____%

- Based on the Financial Statements/Management Accounts and other information available on the latest financial year-end of _____, the annual Total Revenue was between R10,000,000.00 (Ten Million Rands) and R50,000,000.00 (Fifty Million Rands),

- Please confirm on the table below the B-BBEE level contributor, **by ticking the applicable box.**

100% Black Owned	**Level One** (135% B-BBEE procurement recognition level)	
At Least 51% black owned	**Level Two** (125% B-BBEE procurement recognition level)	

4. I know and understand the contents of this affidavit and I have no objection to take the prescribed oath and consider the oath binding on my conscience and on the owners of the enterprise which I represent in this matter.

5. The sworn affidavit will be valid for a period of 12 months from the date signed by commissioner.

Deponent Signature: _____

Date:_____

_____

Commissioner of Oaths
Signature & stamp

SWORN AFFIDAVIT – B-BBEE QUALIFYING SMALL ENTERPRISE – SPECIALISED ENTITY - GENERAL

I, the undersigned,

Full name & Surname	
Identity number	

Hereby declare under oath as follows:

1. The contents of this statement are to the best of my knowledge a true reflection of the facts.

2. I am a Director of the following enterprise and am duly authorised to act on its behalf:

Enterprise Name:	
Trading Name (If Applicable):	
Registration Number:	
Enterprise Physical Address:	
Type of Entity (NPO, PBO etc.):	
Nature of Business:	
Definition of "Black People"	As per the Broad-Based Black Economic Empowerment Act 53 of 2003 as Amended by Act No 46 of 2013 "Black People" is a generic term which means Africans, Coloureds and Indians – (a) who are citizens of the Republic of South Africa by birth or descent; or (b) who became citizens of the Republic of South Africa by naturalisation- i. before 27 April 1994; or ii. on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalization prior to that date;"
Definition of "Black Designated Groups"	"Black Designated Groups means: (a) unemployed black people not attending and not required by law to attend an educational institution and not awaiting admission to an educational institution; (b) Black people who are youth as defined in the National Youth Commission Act of 1996; (c) Black people who are persons with disabilities as defined in the Code of Good Practice on employment of people with disabilities issued under the Employment Equity Act; (d) Black people living in rural and under developed areas; (e) Black military veterans who qualifies to be called a military veteran in terms of the Military Veterans Act 18 of 2011;"

3. I hereby declare under Oath that:

- The Enterprise has _____% Black Beneficiaries as per Amended Code Series 100 of the Amended Codes of Good Practice issued under section 9 (1) of B-BBEE Act No 53 of 2003 as Amended by Act No 46 of 2013,
- The Enterprise has _____% Black Female Beneficiaries as per Amended Code Series 100 of the Amended Codes of Good Practice issued under section 9 (1) of B-BBEE Act No 53 of 2003 as Amended by Act No 46 of 2013,
- The Enterprise has _____% Black Designated Group Beneficiaries as per Amended Code Series 100 of the Amended Codes of Good Practice issued under section 9 (1) of B-BBEE Act No 53 of 2003 as Amended by Act No 46 of 2013,
- Black Designated Group Beneficiary % Breakdown as per the definition stated above:
    - Black Youth % = _____%
    - Black Disabled % =_____%
    - Black Unemployed % =_____%
    - Black People living in Rural areas % =_____%
    - Black Military Veterans % =_____%

- Based on the Financial Statements/Management Accounts and other information available on the latest financial year-end of _____, the annual Total Revenue/Allocated Budget/Gross Receipts was between R10,000,000.00 (Ten Million Rands) and R50,000,000.00 (Fifty Million Rands)

- Please confirm on the table below the B-BBEE level contributor, **by ticking the applicable box.**

At Least 75% Black Beneficiaries	**Level One** (135% B-BBEE procurement recognition level)	
At Least 51% Black Beneficiaries	**Level Two** (125% B-BBEE procurement recognition level)	

4. I know and understand the contents of this affidavit and I have no objection to take the prescribed oath and consider the oath binding on my conscience and on the owners of the enterprise which I represent in this matter.

5. The sworn affidavit will be valid for a period of 12 months from the date signed by commissioner.

Deponent Signature: _____

Date:_____

_____

Commissioner of Oaths
Signature & stamp

SPECIAL CONDITIONS OF CONTRACT
DEPARTMENT OF HEALTH

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THE FOLLOWING SPECIAL CONDITIONS OF CONTRACT WILL APPLY TO THIS BID / QUOTATION :

1. EVALUATION CRITERIA

The following preference point system is applicable to the bid/quotation 80/20.

The preference points for this bid/quotation are allocated as follows and will be applied when adjudicating the bid / quotation:

Price	=	90 points
B-BBEE status	=	10
Total points	=	100 points

2. B-BBEE Status – SBD 6.1 form

2.1 Bidders may claim points for B-BBEE status in the following manner:

2.1.1 A bidder with annual total revenue of R10 million or less qualifies as Exempted Micro Enterprises (EME) and must submit the following to substantiate their B-BBEE ratings:

(i) A sworn affidavit confirming their annual total revenue of R10 million or less and level of black ownership to claim points as prescribed by regulation 6 and 7 of the Preferential Procurement Regulations 2017.

(ii) An EME may be measured in terms of the QSE scorecard should they wish to maximize their points and move to a higher B-BBEE recognition level. It is in this context that an EME may submit a B-BBEE verification certificate.

2.1.2 A bidder with annual total revenue of between R10 million and R50 million is regarded as Qualifying Small Enterprise (QSE) and must submit the following to substantiate their B-BBEE rating:

(i) A sworn affidavit confirming their annual total revenue of between R10 million and R50 million and level of black ownership or a B-BBEE level verification certificate to claim points as prescribed by regulation 6 and 7 of the Preferential Procurement Regulations 2017.

(ii) A sworn affidavit must be signed by the EME and/or QSE representative and attested by the Commissioner of Oaths.

2.1.2 Bidders other than Exempted Micro Enterprises and Qualifying Small Enterprises must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof issued by an Accredited Verification Agency approved by the South African National Accreditation System (SANAS) to substantiate their B-BBEE ratings.

2.2 Bidders who do not submit B-BBEE Level Verification Certificates or are non-compliant contributors to B-BBEE do not qualify for preference points for B-BBEE. **They will therefore score points out of 90 or 80 for price only and zero (0) points out of 10 or 20 for B-BBEE.**

2.3 A trust, consortium or joint venture must submit a consolidated B-BBEE Status Level Verification Certificate for every separate bid and Public Entities and Tertiary Institutions must submit B-BBEE Status Level Verification Certificate together with their bids.

3) Once-off bid prices

3.1 Firm prices:

Prices for once-off bids must be firm. No application for price adjustment will be considered except in the case where rate of exchange is applicable. All the necessary documentary proof must be submitted.

Where the exchange rate is applicable the bidder is expected to complete the SBD 3.2 in full at the time of bidding.

4) Period Contract Prices

4.1 1st year of the contract period:

Prices must be firm for the 1st (first) year of the contract period. No price adjustments will be allowed during the 1st year of the contract period except in the case where rate of exchange is applicable. The request for price adjustment due to rate of exchange will be considered per consignment. All the necessary documentary proof must be submitted.

4.2 2nd year and rest of the contract period – Prices subject to escalation

4.2.1 A request for price adjustment due to statutory increases on period contracts will be considered **after** the 1st year of the contract period if the bid/quotation is qualified as such and with the necessary documentary proof.

4.2.2 In order to be considered for price increases from the 2nd year of the contract period (statutory increase) and where the rate of exchange is applicable (on request per consignment), the price escalation form SBD 3.2 must be completed in full.

4.2.3 *Submitting* of price adjustment claims:

Claims for statutory increases must be submitted within 90 days of the change in price. If a claim is received after 90 days, the adjusted price will only be considered from the date the claim was received by the Department.
Delivery of goods and/or services must not be withheld as a result of the price adjustment not being finalized or as a result of any dispute.

Companies must indicate in the bid document the amount to be remitted abroad as well as the rate of exchange applied in the conversion of that amount into SA currency, when calculating the bid price. Proof from the bank for rate of exchange applicable to the bid at time of bidding **must** be attached to the bid document.

Price adjustments based on Rate of Exchange will only be applied per consignment delivered to the applicable institution of the Department due to the continuous fluctuation.

4.2.4 Documentary proof for price adjustments:

(i) All claims must be properly substantiated by documentary evidence to the satisfaction of the Head of Health.

(ii) The following information must be supplied when claims for rate of exchange variations are lodged:

- Documentary evidence of currency and amount paid to foreign supplier
- Supplier's invoice
- Bill of entry/landing
- Copy of institutions order, delivery note and invoice

4.2.5 Failure to comply with the conditions as per par. 4.2.2 to 4.2.4 **will invalidate** the claim.

5) Qualification of bid documents

5.1 The invitation form (SBD 1) must be **completed in full and signed originally** (in black pen ink) by the person in the company who is authorised to do so. Failure to sign the offer will invalidate the offer.

5.2 The SBD forms and all other bid forms must be submitted in the original format. The Office will only consider the original bid documents issued by the Office and signed by the company. Bid documents that are *retyped, transmitted by facsimile, electronic mail or changed in any other way*, **will** invalidate the bid. Scanned documents, which are completed in the original, will be acceptable.

6) Declarations – SBD 4, SBD 6.1, SBD 6.2, SBD 8 and SBD 9:

All declarations must be **originally completed** in full and duly signed by the bidder and where required, two witnesses.

6.1 **SBD 4 – Declaration of Interest**

All the state employees are not allowed to do a business with the Free State Department of Health.

6.2 SBD 6.2 – invitation and Evaluation of bids based on a stipulated minimum threshold for Local Production and Content within designated sectors

(a) If required, the SBD 6.2 Declaration Certificate for local production and content for a specific designated sector must be completed by **manufacturers** for the items on offer within the relevant sector in order to qualify for the points allocated for local production and content.

(b) **Distributors** of the items within the specific sector must complete and submit the declaration stating that the items on offers are RSA manufactured. However, they will not qualify for any points allocated for local production and content.

7) Corrections to documents:

7.1 Correction fluid (like Tippex for example) must not be used in bid documents in order to correct mistakes. Where a company wishes to correct a mistake, a single line must be drawn through it and the company must place his/her signature and date next to the correction, so that the original entry is still visible and legible. Failing to rectify mistakes in this manner **will** invalidate the bid or the relevant item, or the relevant clause.

7.2 In all other cases of alterations/corrections a full signature and date must be attached above, next to or below the said alteration or correction. If not signed in full at the correction the specific item/bid/quotation **will not** be taken into consideration.

7.3 Companies must check the numbers of the pages on the bid document and should satisfy themselves that the document is complete and that none of the pages are missing or duplicated before the closing date of the bid. No liability shall be accepted with regard to claims arising from the fact that pages are missing or duplicated.

7.4 Where preference points are claimed on the various SBD 6 forms, the forms must be completed in full, must be signed by the company and both witnesses otherwise the points claimed **will** not be considered.

7.5 The bid must be submitted in a sealed envelope. The **correct** bid number and closing date must be clearly indicated on the front of the envelope and the bidder's details on the back. The envelope must be placed in the bid box as indicated, before or on the closing date and time of the bid. On failure to comply the bid **will** not be considered. Bids, which are **received after the closing date and time**, will not be accepted and will be returned to the bidder.

8) Tax Clearance Certificates

8.1 **Original valid Tax Certificates must be attached** to the bid documents. Where the Tax Clearance Certificate is not attached the information will be verified on the Central Supplier database. The Department will not accept a bid from a bidder, whose tax matters were not declared to be in order by SARS.

8.2 Each party to a Consortium/Sub-contractor/Joint Venture must submit a separate original valid Tax Clearance Certificate. If the Tax Clearance certificates are not attached such information will be verified on the Central Supplier Database. Each party's Tax matters must be declared to be in order by SARS.

8.3 Period Contracts: Should the bid be accepted, the contractor must provide the Department (Compliance Office) throughout the contract period with a valid Tax Clearance Certificate on or before the expiry date of each certificate in the possession of the Office.

8.4 The Department has the right to verify the Tax Clearance Certificate submitted by a company at any SARS branch office nationwide.

9) Compulsory Explanatory Meeting and / or Site Visit

9.1 A compulsory explanatory meeting and/or site visit if so required in the bid documents and bid advertisement must be attended. Failure to attend **will invalidate** the bid. **In case of a joint venture, consortium all companies must attend the meetings and submit their own attendance certificate in the company's name.**

9.2 An attendance certificate per company must be signed and stamped by an official of the Department with registration at the meeting. The document/s must be attached in its original to the bid document. Copies of the document will not be accepted.

9.3 Information already provided at the meeting will not be repeated to late attendees.

9.4 A copy of the minutes of the meeting can be made available to companies on request.

10) Payment to suppliers

Payments will be handled as prescribed by the PFMA and will normally be effected within 30 days of receipt of all the required documentation, which should be correct in every respect.

11) Legislation / Laws

Companies must comply with the provisions of current Labour Legislation as well as any other relevant legislation or legal requirement.

12) Validity period of bid

The period for which offers are to remain valid and binding (in order for the Department to finalize it), is indicated in the bid documents (SBD 3.1 / 3.2) and is calculated from the closing day with the understanding that offers are to remain in force and binding until the close of business on the last day of the period calculated and if this day falls on a Saturday, Sunday or Public Holiday, the bid is to remain valid and binding until the close of business on the following working day.

13) Quantities

Where quantities are specified in the bid documents the Department cannot guarantee that they will be ordered as such, as it depends on Departmental needs. The Department is not liable for any losses the contractor might suffer for not ordering specific quantities. Where quantities are specified, "as required" the quantities will be ordered as and when needed.

14) Samples

14.1 Samples to be submitted (if so required in the bid documents), must be clearly marked with the bid and item number as well as the company's name.

UNDER NO CIRCUMSTANCES SAMPLES SHALL BE INCLUDED IN THE BID DOCUMENTS. SAMPLES INCLUDED IN BID DOCUMENTS WILL NOT BE CONSIDERED

14.2 The samples must be delivered to the addressee mentioned in the bid documents so as to reach him/her not later than the closing date and time of the bid.

14.3 Samples shall be supplied by the bidder at his/her own expense and risk.

14.3 Samples of the successful company will be kept with the Department until the end of the contract period and will be retuned to the company only if so stated in the bid/quotation documents.

14.4 All samples provided, which must be returned to the company must be removed on request of the Department at the company's own expense and risk within the specified period. On failing to comply with, the company will forfeit ownership and the sample shall forthwith be disposed of at the discretion of the Department.

15) Bid prices

15.1 Prices of bids must be provided for the specific units as required per SBD 3 forms. The packaging may vary and will be considered unless specific packaging is required.

15.2 Bid prices must be all inclusive and no additional cost will be paid for e.g. delivery, VAT, etc.

15.3 Bid prices must be indicated on the relevant SBD 3 form/s unless otherwise requested by the Department.

16) Price lists

Price lists **will not** be considered for acceptance of the bid unless it was specifically requested in the bid / quotation documents.

17) Specification – company's response

Where a specification provides for the company's response to the different points of specification, the bidder's part **must** be properly completed or the bid or the relevant item **will** be disqualified. **Where items deviate from the requirement, the deviation must be indicated.**

18) Adjudication of bid

18.1 Chapter 6 of the Prevention and Combating of Corrupt Activities Act, 2004 (Act 12 of 2004), that deals with the Register for Tender Defaulters, as well as Regulations made by the Minister of Finance in this regard, are applicable when adjudicating a bid/quotation.

18.2 The Department may terminate the bid/contract in whole or in part if representatives of the Department, is in the judgement that the bidder has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

18.3 In the event of a bid being awarded as a result of B-BBE points claimed in terms of the revised Preferential Procurement Regulations 2017, the contractor may be required to furnish documentary proof to the satisfaction of the Department.

18.3.1 The Department will act against the bidder or person awarded the contract upon detecting that the B-BBEE status level of contribution has been claimed of obtained on a fraudulent basis or any of the contract conditions have not been fulfilled.

18.3.2 The Department may, in addition to any other remedy that it may have against the bidder or person:

18.3.3 Disqualify the bidder or person from the bidding process;

18.3.4 Recover all costs, losses or damages it has incurred or suffered as a result of that person's conduct;

18.3.5 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;

18.3.6 Restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after applying the *audi alteram partem* (hear the other side) rule; and

18.3.7 Forward the matter for criminal prosecution.

19) Restriction of business interest of employees conducting business with the Provincial Government

An employee may not have a business interest in any entity conducting business with the Provincial Government.

20) Compliance to contract

20.1 The Department will monitor compliance to the contract after adjudication of the bid that include, but need not be limited to, site inspections and the request for documentary proof of compliance with the PFMA and relevant legislation.

20.2 Where services are rendered, which involves minimum wages for employees in terms of the sectoral wage determination, the Department reserves the right to request copies of payslips of employees during the period of the contract.

20) Contract signing

In response to an invitation to bid, companies must submit bid which in terms of the law represent offers. Once an offer is accepted and a bid is awarded to a successful company, a legal contract comes into existence.

The Department **will not** enter into any other contract than the SDB 7.1 or 7.2 form to be concluded as a result of acceptance of the bid.

21) Financial schedules

The financial schedule and annexure(s) for breakdown on salaries/wages where applicable, must be fully completed and submitted with the bid.

22) Declaration of Interest

Failure to declare interest on the part of the company or officials from the Department is unacceptable, which **will** lead to the bid/quotation not being considered.

23) Descriptive literature / brochures / pamphlets

If so required, the company must supply descriptive literature, brochures or pamphlets.

Descriptive literature is regarded as text and photos as issued by the original manufacturer.

24) Performance Security / Surety

A Performance Security / Surety is not applicable to all bid. Where it is a requirement in a specific bid, it will be indicated in the bid documents as well as the period in which the

performance security / surety must be submitted. If so required, it must be provided to the Department within the required period or the Department will have the right to cancel the contract and to claim any damages suffered from the contractor.

25) Accredited representative

If you are an accredited representative in South Africa for the goods/services offered written proof from the original supplier must be enclosed. (Refer to the SDB 1 form). Failure to do so will result in the offer not being considered.

26) Equipment exceeding specifications

There might be cases where the specifications do not address latest developments in technology. Where this is the case, the company must indicate next to the specific requirement in the specification to what extent the improved technology is offered. The Department may consider such offers in the adjudication process on condition that full details are provided for comparison purposes.

27) Delivery and documents

If so required, details of shipping and/or other documents to be furnished by the supplier are specified in the bid document

28) Insurance

Insurance as prescribed in the GCC par. 11 is applicable. Specific requirements over and above GCC par. 11 will be specified in the bid/quotation document.

29) Incidental services

Incidental services if so required will be handled as specified in the bid document.

30) Spare parts

Spare parts forms part of the specification of the bid/quotation and must be dealt with as such.

31) Warranty

31.1 Only new, unused goods must be supplied unless otherwise stated in the bid document.

31.2 The General Conditions of Contract par. 15 will apply unless otherwise stated in the bid documents.

31.3 Suppliers must remedy defect(s) on goods delivered within the period stated in the bid/quotation document or within the period as required by the Department.

32) Penalties

Penalties will be imposed as per current prime interest rate as prescribed by the General Conditions of Contract par. 22 unless otherwise stated in the bid/quotation document.

33) Settlement of disputes

The parties hereby agree that in the case of a dispute that cannot be resolved mutually, the dispute will be referred for settlement to the Secretary of the Law Society in the Free State, and in the case of the said Society's unwillingness to hear the dispute, such dispute will be referred to the Chairperson of the Bar Council for the Society for Advocates and/or his/her nominee.

The parties agree that the decision of the presiding officer in the dispute settlement procedure will be final and that neither of the parties will institute legal action against the other following the dispute settlement.

34) Termination of contracts: Unfulfilled orders

On termination of the contract, unfulfilled orders will automatically be cancelled and where appropriate, be supplied in terms of any subsequent contract.

35) Cession of contracts

The supplier shall not cede, in whole or in part, its obligations to perform under the contract or payments made/or to be made by the Department to the supplier, except with the Department's prior written consent.

36) Acceptance of the Special Conditions of Contract and General Conditions of Contract

Failure to accept the Special Conditions of Contract and the General Conditions of Contract or any part thereof, may result in the bid/quotation not being considered.

37) THE COMPANY MUST COMPLETE THE FOLLOWING:

I, ...in my capacity as ..... of the company, hereby certifies that I took note and accept the above-mentioned Special Conditions of Contract.

....
SIGNATURE **CAPACITY**

Contact person of company: .....

Tel. of company: (.....) ..... Fax of company: (.....) .....

THE NATIONAL TREASURY

Republic of South Africa

GOVERNMENT PROCUREMENT:

GENERAL CONDITIONS OF CONTRACT

July 2010

(SO)

GOVERNMENT PROCUREMENT

GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

(i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and

(ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

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

- The General Conditions of Contract will form part of all bid documents and may not be amended.

- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if (applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

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General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:

1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.

1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.

1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.

1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.

1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.

1.7 "Day" means calendar day.

1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.

1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.

1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.

1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

1.14 "GCC" means the General Conditions of Contract.

1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.

1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.

1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.

1.20 "Project site," where applicable, means the place indicated in bidding documents.

1.21 "Purchaser" means the organization purchasing the goods.

1.22 "Republic" means the Republic of South Africa.

1.23 "SCC" means the Special Conditions of Contract.

1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such

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obligations of the supplier covered under the contract.

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

2. Application

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

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

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

3. General

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

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

4. Standards

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

5. Use of contract documents and information; inspection.

5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.

5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.

5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

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

7. Performance security

7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.

7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

(a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
(b) a cashier's or certified cheque

7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspections, tests and analyses

8.1 All pre-bidding testing will be for the account of the bidder.

8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.

8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

8.7 Any contract supplies may on or after delivery be inspected, tested or

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

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

9. Packing

9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

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

10.2 Documents to be submitted by the supplier are specified in SCC.

11. Insurance

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

12. Transportation

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

13. Incidental services

13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:

(a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

(d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

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

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

14. Spare parts

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

(a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and

(b) in the event of termination of production of the spare parts:

(i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and

(ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

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

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

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

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

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

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

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 (NIP) 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 Prohibition of Restrictive practices

34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).

34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

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

SPECIAL NOTICE- PHASE I AND PHASE II

This bid will be handled in terms of the two-stage bidding approach in which:

It is expected of all bidders to submit Phase I and II in a single envelope including Envelope 1 and 2 which must be clearly marked as Phase I (technical proposals) and Phase II (financial proposals). Failure to adhere to this will invalidate the bid.

A. Phase I of the bidding process will be technical proposal

Bidders are requested to provide the Department with a functionality/ technical proposal only as requested in the terms of reference as per bid document, which will be evaluated on the criteria as contained in the bid document.

Bidders must score at least **40%** (18/45) on functionality to be further considered for Phase II, of which their financial proposals will be considered.

It may be expected from the shortlisted bidders to do a presentation to the Department if deem necessary.

B. Phase II of the bidding process will be for the financial proposals.

Bidders are requested to provide the Department with a financial proposal which must be submitted in a separate envelope on the same day as the closing date and time for Phase I