INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF FREE STATE HEALTH					
BID NUMBER:	**DOH(FS)04/2022/2023**	**CLOSING DATE:**	**29 JULY 2022**	**CLOSING TIME:**	**11H00**
DESCRIPTION	**APPOINTMENT OF SUITABLE SERVICE PROVIDER TO RENDER DISTRIBUTION AND COURIER SERVICES FOR PHARMACEUTICAL, MEDICAL CONSUMABLES, H-FORMS AND COLD CHAIN ITEMS TO VARIOUS INSTITUTIONS WITHIN FREE STATE DEPARTMENT OF HEALTH** **PERIOD: DATE OF SIGNING OF CONTRACT FOR THREE (03) YEARS.**				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD1).					

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

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 [TICK APPLICABLE BOX]	☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	☐ Yes ☐ No	

[TICK APPLICABLE BOX]	☐ 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	Mr. K. Moroane
CONTACT PERSON	S.W MALIEHE	TELEPHONE NUMBER	051 411 0518
TELEPHONE NUMBER	051 408 1816	FACSIMILE NUMBER	N/A
FACSIMILE NUMBER	N/A	E-MAIL ADDRESS	MoroaneMKR@fshealth.gov.za
E-MAIL ADDRESS	MalieheSW@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: .....

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:

$$Pa = (1-V)Pt\left(D1\frac{R1t}{R1o} + D2\frac{R2t}{R2o} + D3\frac{R3t}{R3o} + D4\frac{D4t}{D4o}\right) + VPt$$

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 May 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

SBD 3.2

SBD 3.2

B PRICES SUBJECT TO RATE OF EXCHANGE VARIATIONS

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

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

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

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

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. BIDDERS' DECLARATION

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

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

Full Name	Identity Number	Name of State institution

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

2.2.1 If so, furnish particulars:

.....

.....

---

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.

2.3 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.

3.5 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

3.6 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.

3.7 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

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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.

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.

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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	90
B-BBEE STATUS LEVEL OF CONTRIBUTOR	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 .....

.....

.....

SPECIAL CONDITIONS OF CONTRACT
DEPARTMENT OF HEALTH

CONTENTS: **Page**

1)	Evaluation criteria	2
2)	B-BBEE Status	2
3)	Prices for Once-off bids	2
4)	Prices for Period Contract	3
5)	Qualification of bid documents	4
6)	Applicable Declarations	4
7)	Corrections to documents	4
8)	Tax Clearance Certificates	5
9)	Compulsory Explanatory Meeting and/or Site Visit	5
10)	Payment to suppliers	5
11)	Legislation / Laws	5
12)	Validity period of bids	6
13)	Quantities	6
14)	Samples	6
15)	Bid prices	6
16)	Price lists	7
17)	Specification – company's response	7
18)	Adjudication of bid	7
19)	Compliance to contract	8
20)	Contract signing	8
21)	Financial schedules	8
22)	Declaration of Interest	8
23)	Descriptive literature/brochures/pamphlets	8
24)	Performance Security / Surety	8
25)	Accredited representative	9
26)	Equipment exceeding specifications	9
27)	Delivery and documents	9
28)	Insurance	9
29)	Incidental services	9
30)	Spare parts	9
31)	Warranty	9
32)	Penalties	10
33)	Settlement of disputes	10
34)	Termination of contract: unfulfilled orders	
35)	Cession	11
36)	Acceptance of the Special Conditions of Contract and/or General Conditions of Contract	11
37)	The company must complete the following	11

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	=	80 points
B-BBEE status	=	20
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: (.....) .....

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

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 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

health

Department of
Health
FREE STATE PROVINCE

DISTRIBUTION AND COURIER SERVICES FOR PHARMACEUTICAL, MEDICAL CONSUMABLES, H-FORMS AND COLD CHAIN ITEMS TO VARIOUS INSTITUTIONS WITHIN FREE STATE DEPARTMENT OF HEALTH

PERIOD: DATE OF SIGNING OF CONTRACT FOR THREE YEARS

CONTACT PERSON:
Mr K. Moroane
Tel: 051 411 0518

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER: .....BID NO.: .....

CLOSING TIME: .....

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN SA CURRENCY BID PRICE MUST BE INCLUSIVE OF VAT
1.		Distribution and Courier services for the **Free State Medical Depot** of the Department of Health:	
1.1		**Pharmaceuticals, Medical Consumables and H-Forms** Parcel delivery, per kg Goods must be delivered within 48 hours of collection. **NOTE**: The Department of Health reserves the right to utilise its own transport to collect / deliver goods from the Free State Medical Depot. Liability costs to be included in price Variables and Non-Variables to be included in price **Important: The questionnaire hereunder/attached must be completed in full by replying to each and every question.**	R_____/kg (Price per kilogram)

1. Is offer strictly to specification? .....

2. If not to specification, state deviation. .....

3. Are you registered in terms of section 23(1) or 23(3) of the Value Added Tax Act, 1991 (Act No. 89 of 1991).....

4. If so, state your vat registration number.....

5. Are the rates quoted firm for the full period of contract?.....

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER: .....BID NO.: .....

CLOSING TIME: .....

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN SA CURRENCY BID PRICE MUST BE INCLUSIVE OF VAT
1. 1.2		**Cold Chain (Thermolable Products)** Distribution and Courier services for the **Free State Medical Depot** of the Department of Health: Provincial Government of the Free State. Cold Chain delivery, per kg Goods must be delivered within 24 hours of collection and under the conditions as stipulated in paragraph 3.2 of the specifications. **NOTE**: Liability costs to be included in price Variables and Non-Variables to be included in price **Important: The questionnaire hereunder/attached must be completed in full by replying to each and every question.**	R_____/kg (Price per kilogram)

1. Is offer strictly to specification? .....

2. If not to specification, state deviation. .....

3. Are you registered in terms of section 23(1) or 23(3) of the Value Added Tax Act, 1991 (Act No. 89 of 1991).....

4. If so, state your vat registration number.....

5. Are the rates quoted firm for the full period of contract?.....

Annexure A

DEFINITIONS

For the purpose of the Description, Financial Implications, Bid Conditions, Conditions of Bid and Contract, Contract Specifications, Annexures and Appendices, the following definitions of words apply.

1. **Medical Depot:** The Depot situated at 23-25 Blignaut Street, Hilton, Bloemfontein.

2. **Addressee:** A person or entity whose name or address is written on parcel or consignment.

3. **Bidder**: In the case of bids received, the bidder and in the case of the concluded contract, the successful bidder which undertakes in the terms thereof, to provide the required distribution / courier service to the different designated Institution.

4. **Cold Chain Courier Service:** the safe transport of thermolabile items at a constant temperature between 2^0 C - 8^0 C from the point of collection to the point of destination notwithstanding any problem occurring during the delivery period.

5. **Contract:** Comprises the full documentation attached hereto and also the conditions contained in General Contract Conditions (GCC) which will form the basis of the agreement which results from the acceptance of a bid.

6. **Contractor:** The successful bidder for this service contract.

7. **Delivery note:** Document issued by suppliers, which accompanies a delivery of goods, specifying the type and quantity of goods delivered. A copy of delivery note is signed by the recipient of goods and returned to the sender (supplier or seller) as proof of delivery.

8. **Department:** Department of Health, Free State Department of Health and also its institutions.

9. **Dispatch Voucher:** Document issued by the Department of Health, Free State Medical to the carrier or transporter (contractor) giving details of parcel/consignment of goods. It shows the value of goods, quantity, date, demander code, control batch number, despatch voucher number and the name of the addresses (Institution).

10. **GCC:** General Conditions of Contract, the document included in this invitation for bids.

11. **Government:** the government of the Republic of South Africa.

12. **Institution(s):** The Health facilities and medical depot resorting under the management of the Department of Health Free State.

13. **POD:** Proof of delivery: the document affixed to each delivery containing the details of the sender and the delivery address, and which is signed by the Department's sender and the Contractor's personnel upon handover to the Contractor, and again by the Department's receiver upon delivery.

14. ***Prima facie:*** Case where evidence is sufficient to prove the facts of the matter at hand, unless there is substantial contradictory evidence.

15. **Schedule 6:** Any medicine or other substance included in schedule 6 of the medicine and related substances Act No. 101 of 1965.

16. **Senders:** The Free State Department of Health and Free State Medical Depot, 23-25 Blignaut Street, Hilton, Bloemfontein.

17. **State:** The Republic of South Africa and / or Government Department / Provincial Government of the Free State, according to the context of the sentence in which it appears.

18. **Thermolabile items**: Those pharmaceutical products which may be subject to decomposition of change unless stored and transported below 8^0 C. These pharmaceutical items may not be permitted to freeze and the temperature should not be permitted to drop below 2^0 C.

19. **Waybill/Delivery Note:** Document issued by a carrier or transporter (contractor) giving details and instructions relating to the transport of parcel/consignment of goods. It shows the name of the sender and the addresses, the point of origin of the consignment, its destination and route.

Annexure B

CONDITIONS OF BID

RENDERING OF A DISTRIBUTION / COURIER SERVICE TO THE FREE STATE MEDICAL DEPOT.

1. **Institution**

The bidder shall render a courier service for a period of 36 months on behalf of the Free State Medical Depot subject to the terms and conditions as indicated hereunder and in the specifications.

2. **Conditions**

The award of this contract for services will be subject to a Service Level Agreement between the Department of Health and the successful bidder.

2.1 General

2.1.1 The conditions contained in General Contract Conditions (GCC) apply.

2.1.2 With regard to the delivery of medicines, all relevant guidelines issued by the South African Health Products Regulatory Authority should be observed and adhered to. This includes but is not limited to the Good Distribution Practice.

2.2 The following documents form part of this bid:

(a) All attached SBD forms
(b) Definitions
Bid Conditions as contained in General Conditions of Contract (attached as part of this document)
(d) Bid Specifications
Annexures A, B and C.

2.3 Bidders must bid in accordance with the requirements stipulated on the attached SBD forms.

3. **Qualifications of Bidders**

3.1 Bidders must submit detailed information regarding their experience in goods transport service, specifically in the pharmaceutical industry, cold chain (thermolable products) and must, therefore, submit acceptable proof of their ability to supply a high quality service plus a list of present and recent contracts together with their bid documents.

3.2 Bidders must state the number, type(s), volumetric capacity and weight load capacity of the vehicles they intend using in the provision of this service. The Bidders are required to provide at least a minimum of **(2) x 12 Tons Trucks with Closed Insulated Body, (2) x 8 Tons Trucks with Closed Insulated Body, (2) x Tons LDVS and (2) x 4 Tons Trucks Refrigerated cold chain vehicles with Closed Insulated Body.**

3.3 The vehicle(s) utilised by the successful bidder to effect the service specified must comply with all legal requirements, be they ordained by Acts, Ordinances or Regulations.

3.4 A written back-up emergency plan indicating how the bidder will respond to vehicle breakdowns during the cold chain transport operations.

3.5 Attached proof of appropriate cold chain training certificate of all personnel transporting thermolabile pharmaceutical products and standard operating procedures that covers receiving, storing, loading, transporting, failed delivery adverse incident report.

3.6 The bidder must submit, together with the bid documents, a detailed documented system analysis for a functional organisational structure as basis for managing this contract. A clear indication shall be given of the bidder's envisaged organisational principles, procedures and functions for the effective management and operation of this service.

3.7 The Department of Health: Provincial Government of the Free State does not bind itself to accept the lowest or any bid and reserves the right to accept the bid which it deems to be in the best interest of the Provincial Government of the Free State notwithstanding that this may imply a waiver by the Department of certain bid requirements which the Department considers to be of minor importance and not complied by a bidder.

4. **Contract period and bid prices**

4.1 The Department reserves the right to terminate this agreement, should the Free State Medical Depot for any reason, be permanently closed.

4.2 The Department also reserves the right to terminate this agreement, should the contract price exceed the Free State Medical Depot budget.

4.1.1 In this event, the Department shall give the contractor three (3) months prior written notice of the intended closure of the office.

5. **Centres to which the contract applies**

5.1 This contract will encompasses deliveries to and from the centres as stated in Annexures "C" , for the Free State Medical Depot.

5.2 The Department reserves the right to add delivery sites to the aforementioned Annexure subject to the conditions as set out in the contract.

5.3 The Department reserves the right to terminate the contract with regard to any of the centres mentioned in the contract subject to sixty (60) days' notice in writing.

5.4 All bid prices must be quoted inclusive of Value Added Tax.

6. **Validity period of bid**

The validity period is 120 days from the closing date of the bid.

7. **Date of commencement of service**

The successful bidder will be required to start the service on the first day of commencement of the contract.

8. **Non-compulsory briefing / information sessions / virtually**

8.1 Bidders may attend the non-compulsory briefing / information sessions. Should

8.1.1 Date : 13 July 2022
Time : 10h00
Venue : Free State Psychiatric Complex
Recreational hall 4 President Brand Oranjesig
Bloemfontein
Name of contact person : Mr K. Moroane
Telephone number : 051-411 0518

INFORMATION REQUESTED FROM BIDDERS

	Comply / Not comply/ Comment
1. Financial information 1.1. Full details of bidder, including full details of holding company and full details in respect of all entities providing the service. The entity includes a company, joint venture, trust, or other entity of whatever nature. 1.1.1 Full name 1.1.2 Address 1.1.3 Contact details of the company including address of registered office of the bidding entity. 1.1.4 The address (es) of the Head Office and any satellite office. 1.1.5 Nature of the legal entity comprising the bidder (Pty Ltd, consortium, other). 1.1.6 Should the bidding entity provide the services jointly or by making use of other entities, a certified copy of all agreements in which these arrangements are set out, are also to be supplied.	
1.2. Proof of registration including, but not limited to: 1.2.1 Country of incorporation 1.2.2 Nature of legal formation 1.2.3 Corporate documentation including and not limited to the share register, company's register of directors (CK1), register of members/shareholders (where applicable), as well as its list of directors appointed as at the closing date of this bid, together with confirmation from the bidder's auditors confirming that the documents provided are correct.	
1.3 Particulars of share capital showing classes of shares and amounts of authorised and issued share capital.	
1.4 Board resolutions of bidding entity and holding companies and all other entities delivering the service.	
1.5 Nature of current business. 1.6 Summary of South African resources and capacity which are in the name of the bidder. If reliance is placed on resources and capacity not in the name of the bidder then the relationship between that entity and the bidder must be fully explained.	
1.7 Summary of resources and capacity in the Free State which are in the name of the bidder. If reliance is placed on resources and capacity not in the name of the bidder then the relationship between that entity and the bidder must be fully explained.	

1.7 Summary of resources and capacity in the Free State which are in the name of the bidder. If reliance is placed on resources and capacity not in the name of the bidder then the relationship between that entity and the bidder must be fully explained.	
1.8 Details of any current or previous relationship with the Free State Department of Health or any other organs of State of any nature in relation to the provision of goods and services are required.	
2. Credentials and financial integrity In respect of the bidder and in relation to every legal entity forming part of the bidder or who owns shares in the bidder or who is to render any part of the service as contemplated in this bid document the following must be provided: 2.1 Number of years that it has been practicing business 2.2 Summary of business performance in the relevant industry over at least the preceding five years. 2.3 List of major customers making clear exactly which entity provides such service 2.4 Details of financial or business factors which may impact significantly on the business in the near future (mergers, rationalisation and significant expenditures). If there are none, this should be clearly indicated. If there are any, a full explanation in relation hereto should be provided. 2.5 Audited financial statements of the bidder and any other legal entity as well as other consortium partners / other companies which will be guaranteeing the bidder's financial obligations in relation to this bid, shall be provided for the preceding three financial years. If such are not available or cannot be provided then full reasons for such should be provided. It is the Department's prerogative to accept the reasons for not providing financial statements. 2.6 Financial information which demonstrates that the bidder has available, or has access to, liquid assets, unencumbered real assets, lines of credit or other financial means independent of contractual advance payment sufficient to meet the anticipated cash flow requirements for its role as the successful bidder. 2.7 Demonstrate an ability to raise debt and equity and to provide security appropriate for the service. It is the Department's prerogative to accept the reasons for not providing financial information. 2.8 Proposed funding structure considered for the service, including any conditions pertaining to this. 2.9 Confirmation of consortium members / parent company support for the legal entity providing the service, as applicable. Proof will include among others, but not limited to, 2.10 Board Resolutions and letters of undertaking. Note that the requirements of the Government Conditions of Contract (attached as part of this document) shall also be adhered to.	
3. Ability to finance In the event of the bidder requiring a bank loan, a letter from the bank is required proving that 3.1 The bank has read and understood the Terms of Reference 3.2 The bank subscribes to the service as laid out in the Terms of Reference 3.3 The bank in principle supports the bidder in its bid 3.4 The bank rates the bidder as suitable for granting the required finance. 3.5 In the event of the bidder not requiring funding from a bank, the bidder must provide details of the source and availability of the intended financing.	
4. Legal standing Disclosure is to be made of known existing and impending litigation, arbitration or any other disputes with a government institution and any other party.	

5. Technical capacity 5.1 The bidder is to describe the availability and experience of key personnel identified to implement and manage the service. 5.2 Experience in carrying out the various aspects of the service 5.3 Resources to develop, implement and maintain the IT systems 5.4 Number of key personnel and respective qualifications from other business sectors available to assist during implementation and should there be a systems failure. 5.5 A full explanation of the core skills and expertise that would enable the bidder to provide a skilled, reliable service compliant with the requirements described in this Bid Specification.	
6. Insurance A letter from the bidder's insurer acknowledging that cover will be in place for the replacement of applicable components of the service such as refrigerators, IT hardware, other equipment and Pharmaceuticals, Medical consumables, H-Forms and Cold Chain (Thermolable products) in transit.	

Note: The failure to make full and accurate disclosure of the legal structure of the bidder will result in the bid being regarded as non-compliant.

Annexure B1

BID SPECIFICATION

		Comply / Not comply/ comment
1	**Overview of service**	
	Bids are invited for the rendering of an efficient daily distribution / courier service for the delivery of Pharmaceuticals, Medical Consumables, H-Forms and Cold Chain (Thermolable products) as required by (1) The Free State Medical Depot, 23-25 Blignaut Street, Hilton, Bloemfontein to various addresses within the Free State Province.	
2	**Period of the contract**	
	The period of the contract will be for 36 months.	
3	**Details of the distribution / courier services required**	
	The following services are required:	
3.1	**Pharmaceuticals, Medical Consumables and H-Forms** Goods must be delivered to the addressee (Institutions) within 48 hours of collection.	
3.2	**Cold Chain** Goods (Thermolable Products) must be delivered to the addressee (Institutions) within 24 hours of collection.	
3.2.1	**Cold Chain delivery service** Thermolable Products must be delivered under the conditions as stipulated in section 5.5 below.	
4	**Consignments**	
4.1	Consignment of goods/parcels will vary in size and weight (minimum weight 1 kg).	
4.2	Parcels will be packed by the staff of the Free State Medical Depot for all items.	
5	**Collection/Loading/Unloading/Delivery Of Goods**	
5.1	**Senders**	
5.1.1	**Free State Medical Depot**	
	Consignments of goods/parcels, which will vary in size and weight (minimum weight 1 kg) are to be collected on a daily basis between the hours of 07:30 and 15:30 on weekdays.	
5.1.2	Parcels will be packed by the staff of the Free State Medical Depot and the weighing of parcels will be done by the contractor's staff together with a designated official from Depot at the weighing bridge.	
5.2	**Labour and equipment**	
5.2.1	The successful Bidder will provide their own labour and equipment for loading and unloading of the consignments.	
5.2.2	Note that the Department will, where such are available, assign an office to the Contractor at no cost to the contractor. The Contractor will be responsible for the telephone costs. The Contractor will be responsible for the supply of all furniture and office equipment. The Contractor's personnel will have the use of staff rest rooms.	
5.2.3	The successful Bidder must supply his own IT hardware, software and network (WAN/LAN) or any other connectivity.	

		Comply / Not comply/ comment
5.3	**Prevention of damage**	
5.3.1	The Bidder must ensure that parcels/consignments are not damaged when loading or while in transit.	
5.4	**Delivery**	
5.4.1	Deliveries must be made to the specified address (institution) indicated on the Waybill/Dispatch voucher.	
5.4.2	Deliveries must be made between the hours of 08:00 and 15:30 on weekdays excluding weekends and public holidays.	
5.4.3	Delivery **must** be made in closed vehicles that are appropriate for the purpose of delivery medicines and related products.	
5.4.4	Any discrepancy between the delivered quantity of parcels/consignments and quantity parcels/consignments stipulated on the waybill/dispatch voucher must be noted or recorded on the waybill/dispatch voucher on receipt of the delivery.	
5.4.5	The Contractor will be responsible for transporting the parcels/consignments in such a way that the temperature is maintained within the required limits, these being between 20° C – 25° C for pharmaceutical products.	
5.4.6	The Department of Health reserves the right to utilise its own transport to collect / deliver goods from the Free State Medical Depot	
5.5	**Thermolabile Products**	
5.5.1	This service shall be rendered in accordance with the requirements of the (SAHPRA) South African Health Products Authority Act, Act 101 of 1965, and Good Warehousing Practice and Good Pharmacy Practice in terms of the Pharmacy Act, Act 53 of 1974 as amended and Board Notice 50 of 2015 of the South African Pharmacy Council as published in the government gazette.	
5.5.2	In this regard, the Department's staff will ensure that parcels/consignments containing thermolabile products are packed in carton boxes. There must be clear, visible labelling on the packaging with instructions regarding the storage conditions, special precautions and warning for shipment.	
5.5.3	The Contractor will be responsible for transporting the parcels in such a way that the temperature is maintained within the required limits, these being between 2° C – 8° C.	
5.5.4	The Contractor refrigerated vehicles should be equipped with a cab-mounted continuous temperature monitoring device with alarm which allows trip data to be downloaded, printed and of which the continuous temperature monitoring device must be able to alert the driver when he/she is not in/at vehicle should the temperature go out of the 2° C – 8° C range.	
5.5.5	The continuous temperature monitoring device must be calibrated annually against certified standard.	
5.5.6	The internal air temperature distribution must be mapped in the cargo compartment of the cooler truck annually. Provide the suitable documentation as proof.	
5.5.7	The goods are NOT TO BE FROZEN (2° C – 8° C only).	
5.5.8	Personnel transporting thermolabile pharmaceutical products must be appropriately trained, in terms of an approved unit standard for cold chain management, refer to special conditions 3.5 (Annexure B). Provide the suitable documentation as proof.	
5.5.9	The goods must be delivered to a responsible person at delivery point within 24 hours of collection.	

		Comply / Not comply/ comment
6	**Waybill and delivery notes**	
6.1	Each delivery shall be certified as correct on the delivery note by an official of the addressee (Institution), by means of his signature, initials and surname printed in block letters, their title/rank/persal number as well as the date, Stamp of the Department of Health institution. Signature of third parties, or the contractor himself shall not be accepted as proof of delivery.	
6.2	Before any parcel / consignment is transported by the Contractor, the Contractor must supply the waybill that will be completed by the responsible, mandated official the Free State Medical Depot. The Free State Medical Depot will supply the successful bidder with a template of a waybill for printing at the cost of the successful bidder. The following information must be contained in the waybill:	
6.2.1	Nature and contents of parcel / consignment.	
6.2.2	Weight of parcel / consignment	
6.2.3	Type of service as specified in Section 3 of bid specification.	
6.2.4	Complete address to which the parcel / consignment must be sent, as well as that of the sender.	
6.3	Waybills are completed in quadruple. One (1) copy (bottom) remains in dispatch book.	
6.4	**Upliftment**	
6.4.1	The contractor must handle the upliftment of stock from the institution when requested by the Free State Medical Depot at no additional charge to the department.	
7	**Submission of documents for payment of services**	
7.1	It is a condition of this bid that proof of delivery to a responsible officer employed by the institution must be submitted to the relevant official at the, Free State Medical Depot as soon as possible after delivery, but in any event not later than 48 hours after delivery.	
7.2	Payment will be made based on appropriately signed proof of delivery that complies with the requirements in 6.1.	
7.3	The successful bidder shall provide the Free State Medical Depot with the top copy (original) of the dispatch voucher/waybill as "Proof of Delivery" document of parcel/consignments.	
7.4	It is a condition of this bid that the successful bidder accepts full responsibility for a consignment from the time of collection for delivery, acknowledged by a signature and rubber stamp on an appropriate document (Waybill and Dispatch Voucher).	
7.4.1	Such responsibility terminates when a clear receipt from the addresses (institution) has been obtained, acknowledged by signature and rubber stamp on an appropriate document (Waybill and Dispatch Voucher).	
7.5	The Contractor's account must be submitted to the Free State Medical Depot for payment.	
8	**Indemnities and liabilities**	
8.1	The Contractor accepts all liability in respect of loss of and/or damage to the contents/goods of, and permanent packaging material, where the latter is permanent and the property of the Department used in goods transported by them.	
8.1.1	Such liability takes effect from the moment the parcel(s) is/are handed over and signed for and / or removed from the premises of the Free State Medical Depot by the Contractor and terminates when delivered to the addressee (Institution)'s premises and accepted and signed by the addressee (Institution).	

		Comply / Not comply/ comment
8.2	Where the contents or permanent packaging material is damaged, a certificate is issued by a mandated official of the Free State Medical Depot and will serve as *prima facie* evidence of the quantum of damages.	
8.3	Where the parcel/consignment with its contents is lost or damaged, or a break in the cold chain occurs, or only the packaging material is lost (where it is permanent and the property of the Department), the Contractor will compensate the Free State Medical Depot for the actual value of the loss. In addition, the Contractor shall transport the replacement consignment free of charge.	
8.4	Where a parcel/consignment is not delivered on the date as specified on the waybill due to a delay on the part of the Contractor and the Department suffers damages, the Department shall have the right, unless otherwise directed by the Department, in its sole discretion either to deduct as a penalty from the value of the contract sum an amount using the current prime interest rate calculated for each day of the delay or to claim any damages or loss suffered in lieu of such penalty (refer clause 21 and 22 of the GCC).	
8.5	Where the Contractor completely fails to render the service, the Department reserves the right to make use of the services of any other supplier who is able to render such service.	
8.5.1	Where the Department is forced to pay more for the service than would have been paid to the original contractor, the original Contractor will be liable and the Department will be entitled to retain the difference in price as quoted by the alternative supplier from the money owed to the original Contractor. A certificate issued by an official of the Department will serve as *prima facie* evidence of the amount owed (refer clause 21 and 22 of the GCC).	
8.6	The vehicles, equipment and employees of the bidder must be insured as it is accepted that the successful bidder undertakes to indemnify the Provincial Government of the Free State and/or any of its officials or employees against:	
8.6.1	Loss, damage, wear and tear occurring to the successful bidder's property.	
8.6.2	Loss, accident, injury or death to any person in the employ of the successful bidder or third party for whatever reason.	
8.6.3	Loss, accident, injury or death to any person legally on the Department's premises.	
8.6.4	The bidder must ensure that they have a letter of good standing in terms of Compensation for Occupational Injuries and Diseases ACT 130 of 1993 (As Amended) reference to sections 80, 82, 86 and 89.	
8.6.5	Loss of, or damage to any goods legally on the Department's premises which is not the property of the Provincial Government.	
8.7	The successful bidder will further automatically undertake to reimburse the Free State Department of Health for the undermentioned occurrences during the execution of any part of this contract, whether on the Department's premises or otherwise:	
8.7.1	Loss or damage to the Department's equipment.	
8.7.2	Loss or damage to the Department's buildings, roads, gates and walls/fences.	
8.8	The successful bidder further undertakes to obey all applicable hospital and clinics rules and regulations whilst on hospital premises.	
9	**Payments**	
9.1	Payment to the Contractor will only take place once an invoice with all relevant and original POD's are received from the Contractor. The invoice must contain the following information:	
9.1.1	Price per kg (i.e. price for the applicable type of service rendered).	
9.1.2	Declared weight of parcel supplied on the waybill.	
9.1.3	Actual weight of parcel/consignment.	

		Comply / Not comply/ comment
9.1.4	Complete breakdown of costs.	
9.1.5	Total cost as owed.	
9.1.6	Less % discount offered, if applicable (settlement discount will not be taken into consideration for evaluation purposes).	
9.1.7	The waybill numbers.	
9.2	Where the above-mentioned information does not appear on the invoice and payment cannot be made, the Department/Institution reserves the right to return such an invoice to the Contractor without any payment. No interest for late payment in such instance will be considered.	
9.3	The official stamp of the receiving institution as well as the printed name / stamped and signature of the designated official of the Institution shall appear on delivery notes as proof of delivery.	
9.4	No additional cost can be claimed for "proof of delivery" in respect of deliveries made within the borders of the Republic of South Africa.	
9.5	No advance payment will be made to the Contractor. Payment will be made within 30 days after receipt of an invoice with all relevant POD's.	
9.6	As it is the intention of the Department to effect all future payments by electronic funds transfer (EFT), it will be expected of the successful bidder to furnish the Department with its banking details in order to be registered for this purpose A form on which these details can be provided to the Department will be included in the letter of acceptance to the successful bidders). This will be to the advantage of the contractor, as it will ensure security and expedite payment.	
10	**General**	
10.1	The Department/Institution(s) reserves the right to exclude parcels containing for example, biological dangerous materials, diagnostic samples or highly confidential documents from this contract and to arrange in their own discretion other methods of transport.	
10.2	Dangerous consignments shall be indicated in the waybill and should provide a standard operating procedure that will be used in the event of a breakage or spillage.	
10.3	All personnel of the contractor must be authorized and identifiable when collecting or delivering supplies, parcels and packages.	
10.4	The Free State Department of Health reserve the right to appoint contractor for distribution of Pharmaceuticals, Medical Consumables and H-Forms, and another contractor for distributions of Cold Chain Items (Thermolabile Products) for this Bid.	
11	**Experience**	
11.1	Prospective bidders should have had at least five years' experience in the cartage and distribution of pharmaceuticals, medical consumables, h-forms and cold chain.	
11.2	A proven knowledge of cold chain procedures, and precautions to be taken in handling cold chain products, is a necessity. Bidders are to provide their Standard Operating Procedures, **failure will invalidate the bid.**	
11.3	A proven knowledge of the risks and prevention thereof in relation to the transport of Schedule 6 items is a necessity. Bidders are to provide their Standard Operating Procedures, **failure will invalidate the bid.**	
11.4	Prior or current contracts with other Provincial Departments, and /or private sector pharmaceutical companies for the conveying of medical items will be an added recommendation.	

		Comply / Not comply/ comment
12	**Infrastructure**	
12.1	Prospective bidders must satisfy the Department that they have a sufficient quantity of small vehicles and larger vehicles to handle the volume of freight.	
12.2	Bidders should provide examples (Pictures/Photos) of their delivery vehicles and attached to the bid documents or provide a proof of their financial capabilities confirming that they have sufficient funds to procure the required vehicles. **Failure to attach will invalidate the bid.**	
12.3	Sufficient and appropriate delivery vehicles must be made available for consignments of which has been packed for deliveries (This includes the weekends and holidays).	
12.4	An estimated average weight of stock transported per month = **80 000kg**. The fluctuation in capacity may vary from month to month and the tariff should be standard as the week tariffs.	
13	**Risk reduction measures**	
13.1	**Staff**	
13.1.1	All staff deployed by the successful Bidder shall be in possession of a security clearance.	
13.1.2	No staff deployed by the successful Bidder shall have criminal charges pending.	
13.2	**Vehicle tracking**	
	All vehicles shall be fitted with tracking systems which permit the establishment of the vehicle's position at any time.	
13.3	**Parcel tracking**	
	Tracking of individual parcels must be available from time of pickup to time of delivery by means of Electronic systems.	
13.4	**Insurance of stock**	
	The successful bidder is to carry insurance which covers the value of the stock under his management.	
14	**Pricing**	
14.1	The Bidders are to provide a price per kg. All pricing shall be on a weight basis.	
14.2	Liability costs to be included in price	
14.3	Variables and Non-Variables to be included in price	
14.4	Insurance of goods in transit must be included in the liability costs which form part of the price per kg	

Annexure C

DELIVERY POINTS PER DISTRICT

SEE ATTACHED DEMANDER LISTING PER DELIVERY ROUTE

NOTE: **The attached list of demanders may be expanded according to the demand for extended delivery services, or reduced should delivery to a particular centre no longer be required.**

EVALUATION CRITERIA

No	Criteria for Functionality	Weight	Score
1.	**Experience:** Years of experience in rendering service in goods transportation/courier preferably in the pharmaceuticals industry with detailed information proof of the ability to supply a high-quality service. (Attached list of references with contact details). **5 years – Proof of reference attached = 20 points** **No Proof of reference attached = 0 points**	20	
2	**Experience:** Years of experience in rendering service in goods transportation/courier in Cold Chain Items (Thermolabile Product) and proven knowledge of cold procedures, and precautions to be taken in handling cold chain product. (Attached list of references with contact details). **5 years – Proof of reference attached/submitted = 20 points** **No Proof of reference attached/submitted = 0 points**	20	
3	**Proof of SOP – Standard Operating Procedure:** A proven knowledge or SOP of the risks and prevention in relation to the transport of Schedule 6 items or Pharmaceutical Items. **Proof attached = 15 points** **No Proof attached = 0 points**	15	
4	**Provide certificate of all trained personnel**: Attached proof of appropriate cold chain training certificate of all personnel transporting Cold Chain Items (Thermolabile Product) pharmaceutical products. **If Proof of certificate attached = 15 points** **If No Proof of certificate attached = 0 points**	15	
5	**Emergency Plan:** A written back-up emergency plan indicating how the bidder will respond to emergencies during the transport operations of Pharmaceuticals, Medical Consumables and H-Forms. **If Emergency Plan submitted = 15 points** **If No Emergency Plan submitted = 0 points**	15	
6	**Emergency Plan:** A written back-up emergency plan indicating how the bidder will respond to emergencies during the transport operations of Cold Chain Items (Thermolabile Product). **If Emergency Plan submitted = 15 points** **If No Emergency Plan submitted = 0 points**	15	
Total		100	

Note: If no References/Proof/Plan attached points will be zero.

Bidders who score less than 70% (70/100 points) will not be considered further for evaluation on B-BBBEE and Price.

Attachment C

DELIVERY POINTS PER DISTRICT.

Average weight of stock transported per month = 80 000kg

XHARIEP DISTRICT

Demanders code	Demanders Name	Delivery Route
7120657	BETHULE PRIMARY HEALTH CARE CLINIC	01
7125081	BETHULIE COMMUNITY HEALTH SERVICES	01
7101665	BETHULIE HUIS UITKOMS OLD AGE HOME	01
7100889	BOESMANSKOP PRIMARY HEALTHCARE CLINIC	01
7125800	DEWETSDORP ONE STOP CLINIC	01
7125810	EDENBURG LOCAL AUTHORITY CLINIC	01
7125170	FAURESMITH LOCAL AUTHORITY CLINIC	01
7102001	GARIEPDAM LOCAL AUTHORITY CLINIC	01
7125270	JACOBSDAL LOCAL AUTHORITY CLINIC	01
7102035	JAGERSFONTEIN DIAMOND/DIAMANT HOSPITAL	01
7125280	JAGERSFONTEIN LOCAL AUTHORITY CLINIC	01
7125300	KOFFIEFONTEIN LOCAL AUTHORITY CLINIC	01
7125400	KOFFIEFONTEIN OPPERMANS GROUNDS L/A CLINIC	01
7171106	KOFFIEFONTEIN PEM SCHEME REGION B	01
7110010	KOFFIEFONTEIN PRIMARY HEALTHCARE CLINIC	01
7125350	LUCKHOFF LOCAL AUTHORITY CLINIC	01
7110303	PETRUSBURG BOPHELONG COMM HEALTH CENTRE	01
7101657	PETRUSBURG ONS WONING OLD AGE HOME	01
7125460	PHILIPPOLIS LOCAL AUTHORITY CLINIC	01
7125820	REDDERSBURG LOCAL AUTHORITY CLINIC	01
7101796	REDDERSBURG REDDERSRUS OLD AGE HOME	01
7125490	ROUXVILLE LOCAL AUTHORITY CLINIC	01
7171076	ROUXVILLE LOCAL AUTHORITY ROLELEATHUNYA	01
7125520	SMITHFIELD LOCAL AUTHORITY CLINIC	01
7110117	SMITHFIELD PRIMARY HEALTHCARE CLINIC	01
7101819	SMITHFIELD STOFFEL COETZEE HOSPITAL	01
7125530	SPRINGFONTEIN LOCAL AUTHORITY CLINIC	01
7171313	TROMPSBURG ALBERT NZULA HOSPITAL	01
7101762	TROMPSBURG HUIS VIR BEJAARDES OLD AGE HOME	01
7125570	TROMPSBURG LOCAL AUTHORITY CLINIC	01
7125600	VAN STADENSRUS CLINIC	01
7171112	WEPENER LEBOHANG CLINIC	01
7125920	XHARIEP DIST.HEALTH SERV.BFN	01
711963	XHARIEP EMERGENCY MEDICAL SERVICES	01
7171155	XHARIEP ORAL HEALTH DISTRICT OFFICE	01
7101827	ZASTRON EMBEKWENI HOSPITAL	01
7101916	ZASTRON HUIS VERGESIG OLD AGE HOME	01
7110214	ZASTRON PRIMARY HEALTHCARE CLINIC	01

MOTHEO DISTRICT

7171172	BLEOMFONTEIN FREE STATE SCHOOL OF NURSING	02
7126190	BLOEMFONTEIN AANDRUS OLD AGE HOME CLINIC	02
712586	BLOEMFONTEIN BAINSVLEI CLINIC	02
711672	BLOEMFONTEIN BATHO PHC CLINIC	02
712587	BLOEMFONTEIN BAYSWATER CLINIC	02
7125990	BLOEMFONTEIN BAYSWATER VILLAGE OLD AGE HOME	02
7125970	BLOEMFONTEIN BOIKHUCO OLD AGE HOME	02
712594	BLOEMFONTEIN CENTRAL PARK CLINIC	02
7171087	BLOEMFONTEIN CHC HEIDEDAL	02
712589	BLOEMFONTEIN CHRIS DE WET CLINIC	02
7125091	BLOEMFONTEIN CLINICS	02
7171163	BLOEMFONTEIN EMERGENCY MEDICAL SERVICES	02
7126060	BLOEMFONTEIN FICHARDTPARK CENTRUM OLD AGE HOME	02
7105562	BLOEMFONTEIN FREE STATE PSYCHIATRIC COMPLEX	02
711670	BLOEMFONTEIN FREEDOM SQUARE PHC CLINIC	02
711673	BLOEMFONTEIN GATEWAY CLINIC	02
7102954	BLOEMFONTEIN HOSPITAL PELONOMI	02
712596	BLOEMFONTEIN KAGISANONG CLINIC	02
712709	BLOEMFONTEIN IANGEHOVENPARK PHC CLINIC	02
712591	BLOEMFONTEIN LOURRIERPARK CLINIC	02
7100627	BLOEMFONTEIN MEDICAL DEPOT	02
7126120	BLOEMFONTEIN MOOIHAWE OLD AGE HOME	02
7171032	BLOEMFONTEIN MUCPP MANGAUNG	02
71013494	BLOEMFONTEIN NASIONAL DISTRICT HOSPITAL	02
7126180	BLOEMFONTEIN NOORDERBLOEM OLD AGE HOME	02
7125980	BLOEMFONTEIN OLD AGE HOME ROSESTAD BEJAARDESORGSEN	02
7126010	BLOEMFONTEIN ONS TUISTE OLD AGE HOME	02
712592	BLOEMFONTEIN OPKOMS CLINIC	02
7171175	BLOEMFONTEIN ORAL HEALTH COMPLEX 1	02
7171168	BLOEMFONTEIN ORAL HEALTH COMPLEX 3	02
7171157	BLOEMFONTEIN ORTOTIESE EN PROTETIESE SENTRUM	02
7100025	BLOEMFONTEIN PHARMACEUTICAL SERVICES	02
7107441	BLOEMFONTEIN PRIMERE HEALTH CLINIC	02
7171154	BLOEMFONTEIN SIESTA OLD AGE HOME	02
712598	BLOEMFONTEIN THUSONG CLINIC ROCKLANDS	02
7102920	BLOEMFONTEIN UNIVERSITAS HOSPITAL	02
712593	BLOEMFONTEIN WESTDENE CLINIC	02
711671	BLOEMSPRUIT CLINIC BLOEMFONTEIN	02
7171138	BOTSHABELO B CLINIC	02
7171137	BOTSHABELO C CLINIC	02
7171136	BOTSHABELO D CLINIC	02
7171135	BOTSHABELO E CLINIC	02
7171134	BOTSHABELO F CLINIC	02
7171133	BOTSHABELO H CLIINIC	02
7112371	BOTSHABELO HOSPITAL	02
7171132	BOTSHABELO INDUSTRIAL CLINIC	02
7171131	BOTSHABELO J CLINIC	02

7171130	BOTSHABELO K CLINIC	02
7171129	BOTSHABELO L CLINIC	02
7171128	BOTSHABELO M CLINIC	02
7171127	BOTSHABELO N CLINIC	02
7171125	BOTSHABELO PHC CLINIC	02
7171139	BOTSHABELO TB DEPARTMENT	02
7171126	BOTSHABELO U S CLINIC	02
7171140	BOTSHABELO W CLINIC	02
7107572	DEWETSDORP PRIMARY HEALTH CARE CLINIC	02
7101869	DEWETSDORP STILLEHAWE OLD AGE HOME	02
712597	MMABANA CLINIC	02
7125041	THABA NCHU Dr JS MOROKA HOSPITAL	02
7171164	THABA NCHU BOIKETLONG OLD AGE HOME	02
7171141	THABA NCHU DINAANe CLINIC	02
7171142	THABA NCHU GAONGALELOE CLINIC	02
7171146	THABA NCHU KgALALA CLINIC	02
7171151	THABA NCHU KLIPFONTEIN CLINIC	02
7171144	THABA NCHU MAFANE CLINIC	02
7171150	THABA NCHU MOBILE CLINIC	02
7171153	THABA NCHU MOKWENA CLINIC	02
7171143	THABA NCHU PHETOGO CLINIC	02
7171148	THABA NCHU POLY CLINIC	02
7171124	THABA NCHU PRIMARY HEALTH CLINIC	02
7171145	THABA NCHU SEDIBA CLINIC	02
7171147	THABA NCHU SEODIMO CLINIC	02
7171149	THABA NCHU TIGER RIVER VILLAGE CLINIC	02
7171152	THABA NCHU TWEEFONTEIN CLINIC	02
7171299	BLOEMFONTEIN FORENSIC PATHOLOGY MORTUARY	09
711674	BLOEMFONTEIN FAUNA CLINIC	ak
7171165	BLOEMFONTEIN FS COLLEGE OF EMERGENCY	PL
7171246	BLOEMFONTEIN HIV AIDS	PL
7100033	BLOEMFONTEIN MEDICAL DEPOT (H-F)	PL
LEJWELEPUTSWA DISTRICT		
7171082	ALLANRIDGE L/A LERATONG CLINIC	03
7171077	ALLANRIDGE LOCAL AUTHORITY BOPHELONG CLINIC	03
7125730	ALLANRIDGE LOCAL AUTHORITY CLINIC	03
7100774	BOSHOF HUIS GOEDVERSORG OLD AGE HOME	03
7125760	BOSHOF LOCAL AUTHORITY CLINIC	03
7100782	BOTHAVILLE MARANATA OLD AGE HOME	03
7101005	BOTHAVILLE NALA HOSPITAL	03
7171282	BOTHAVILLE EMS	03
7125100	BOTHAVILLE LOCAL AUTHORITY CLINIC	03
7171084	BOTHAVILLE LOCAL AUTHORITY K.MAILE CLINIC	03
7171085	BOTHAVILLE LOCAL AUTHORITY KGOTSONG CLINIC	03
7171116	BOTHAVILLE PHC MOBILE CLINIC SERVICE	03
7110921	BOTHAVILLE PRIMARY HEALTHCARE CLINIC	03

7171178	BRANDFORT DUKES STREET CLINIC	03
7171279	BRANDFORT EMS	03
7171054	BRANDFORT LOCAL AUTHORITY CLINIC VAALROCK	03
7118408	BRANDFORT PRIMARY HEALTH CARE CLINIC	03
7126040	BRANDFORT RUSOORD OLD AGE HOME	03
7125780	BULTFONTEIN DA MALEHO CLINIC	03
7171110	BULTFONTEIN L/A PHAHAMENG CLINIC	03
7171171	BULTFONTEIN PHC MOBILE CLINIC	03
7126130	BULTFONTEIN VERSORGINGS DIENSTE OLD AGE HOME	03
7171277	DEALESVILLE EMS	03
7125790	DEALESVILLE LOCAL AUTHORITY CLINIC	03
71013492	DEALESVILLE VREDESHOF OLD AGE HOME	03
71013490	DEALSVILLE LOCAL AUTHORITY CLINIC TSHWARAGAWANG	03
7125230	HENNENMAN LOCAL AUTHORITY CLINIC	03
7171078	HENNENMAN LOCAL AUTHORITY PHOMOLONG CLINIC	03
7125240	HERTZOGVILLE LOCAL AUTHORITY CLINIC	03
7171170	HERTZOGVILLE PHC MOBILE 2 CLINIC	03
7100740	HERTZOGVILLE PHC MOBILE CLINIC 1	03
7171278	HOOPSTAD EMS	03
7100596	HOOPSTAD HUIS VIR BEJAARDES OLD AGE HOME	03
7125260	HOOPSTAD LOCAL AUTHORITY CLINIC	03
7101013	HOOPSTAD MOHAU HOSPITAL	03
7171169	HOOPSTAD PHC MOBILE CLINIC	03
7171281	ODENDAALSRUS EMS	03
711196	ODENDAALSRUS GENEVA CLINIC	03
7171107	ODENDAALSRUS L/A BOPHELONG CLINIC	03
7171108	ODENDAALSRUS L/A PHEDISANANG CLINIC	03
7125390	ODENDAALSRUS LOCAL AUTHORITY CLINIC	03
7171109	ODENDAALSRUS LOCAL AUTHORITY CLINIC BOITHUSONG	03
7100839	ODENDAALSRUS ME PRES STEYN OLD AGE HOME	03
7100481	ODENDAALSRUS MOBILE CLINIC PRIMARY HEALTH CARE	03
7101021	ODENDAALSRUS THUSANONG HOSPITAL	03
7125850	SOUTPAN MUNISIPALITEITSKLINIEK IKGOMOTSENG	03
7100855	THEUNISSEN HUIS MORIA OLD AGE HOME	03
7125560	THEUNISSEN LOCAL AUTHORITY CLINIC	03
7171083	THEUNISSEN LOCAL AUTHORITY LUSAKA CLINIC	03
7171081	THEUNISSEN LOCAL AUTHORITY MASILO CLINIC	03
7120576	THEUNISSEN PRIMARY HEALTH CARE CLINIC	03
7171105	VENTERSBURG HOPE CHC	03
7125610	VENTERSBURG LOCAL AUTHORITY CLINIC	03
7102108	VENTERSBURG NASINA OLD AGE HOME	03
7125860	VERKEERDEVLEI LOCAL AUTHORITY CLINIC	03
7171067	VERKEERDEVLEI PGD	03
7171276	VIRGINIA EMS	03
7101039	VIRGINIA KATLEHO HOSPITAL	03
7125640	VIRGINIA LOCAL AUTHORITY CLINIC	03
71013487	VIRGINIA LOCAL AUTHORITY CLINIC KHOTHALANG	03

71013488	VIRGINIA LOCAL AUTHORITY CLINIC MELODING	03
7171117	VIRGINIA LOCAL AUTHORITY O R TAMBO CLINIC	03
71013491	VIRGINIA LOCAL AUTHORITY REARABETSOE	03
7171179	VIRGINIA MATERNITY CLINIC KHOTHALANG	03
7171102	WELKKOM L/A THABONG CLINIC	03
7101063	WELKOM BONGANI HOSPITAL(GOLDFIELD)	03
71013495	WELKOM DENTAL CLINIC KOPANO	03
7171156	WELKOM E M S CLINIC KOPANO	03
7171209	WELKOM FS SCHOOL OF NURSING	03
711250	WELKOM HANI PARK CLINIC	03
7171211	WELKOM KOPANO MOBILE CLINIC	03
7171210	WELKOM KOPANO TOP CLINIC	03
7171104	WELKOM L/A BOPHELONG CLINIC	03
7171100	WELKOM L/A CLINIC BRONVILLE	03
7171099	WELKOM L/A CLINIC RIEBEECKSTAD	03
7171101	WELKOM L/A CLINIC TSHEPONG	03
7125680	WELKOM LOCAL AUTHORITY CLINIC	03
7171103	WELKOM LOCAL AUTHORITY KHOTSONG CLINIC	03
7171180	WELKOM MATERNITY CLINIC KHOTSONG	03
712246	WELKOM MDR HOSPITAL	03
7126020	WELKOM OUGOUD OLD AGE HOME	03
7171183	WELKOM PHC MATJHABENG	03
7108536	WELKOM PRIMARY HEALTHCARE CLINIC	03
7171181	WELKOM RHEEDERS PARK CLINIC	03
7126140	WELKOM TRIXY NEWBY OLD AGE HOME	03
7125700	WESSELSBRON LOCAL AUTHORITY CLINIC	03
7171280	WINBURG EMS	03
7102603	WINBURG HOSPITAL	03
7102336	WINBURG KINDERHUIS	03
7125710	WINBURG LOCAL AUTHORITY CLINIC	03
7171086	WINBURG LOCAL AUTHORITY KAMOHELO CLINIC	03
THABO MOFUTSANYANA		
7125061	ARLINGTON LOCAL AUTHORITY LERATSWANA	04
7101348	BETHLEHEM DIHLABENG HOSPITAL	04
7171044	BETHLEHEM ORAL HEALTH	04
712245	BETHLEHEM EMS	04
7125071	BETHLEHEM LOCAL AUTHORITY CLINIC	04
7171020	BETHLEHEM LOCAL AUTHORITY CLINIC BAKENPARK	04
7171021	BETHLEHEM LOCAL AUTHORITY CLINIC BOHLOKONG	04
7171022	BETHLEHEM LOCAL AUTHORITY CLINIC MPHOHADI	04
7171206	BETHLEHEM ORTHOTIC AND PROSTETHIC CENTRE	04
7171266	BETHLEHEM PHEKOLONG ART CLINIC	04
7101403	BETHLEHEM PHEKOLONG HOSPITAL	04
7125110	CLARENS LOCAL AUTHORITY ITUMELENG CLINIC	04
7102019	CLOCOLAN JOHN DANIEL NEWSBERRY HOSPITAL	04
712390	CLOCOLAN HLOHLOLWANE PHC	04

7125120	CLOCOLAN PRIMARY HEALTH CARE	04
7125160	EXCELSIOR LOCAL AUTHORITY CLINIC	04
7110060	EXCELSIOR PRIMARY HEALTHCARE CLINIC	04
7171261	FACILITY PLANNING EASTERN FREE STATE HEALTH COMPLE	04
7171176	FICKSBURG LOGES-OFFICE COMPLEX 4 DC19	04
712393	FICKSBURG MASEBABATSO pHC	04
712394	FICKSBURG MEQHELENG PHC	04
712392	FICKSBURG PHOMOLONG PHC	04
7102027	FICKSBURG PHUTOLOHA HOSPITAL	04
7100465	FICKSBURG SOETWATER PHC	04
71013486	FOURIESBURG LOCAL AUTHORITY CLINIC REITUMETSE	04
7125190	FOURIESBURG MUNISIPALITEITSKLINIEK	04
7101372	HARRISMITH THEBE HOSPITAL	04
7101071	HARRISMITH ELIZA LIDDELL OLD AGE HOME	04
7171118	HARRISMITH InTABAZWE LOCAL AUTHORITY CLINIC	04
7171316	HARRISMITH KGOSATSANA MASETJHABA CLINIC	04
7171119	HARRISMITH LESEDI LOCAL AUTHORITY CLINIC	04
7171120	HARRISMITH LOCAL AUTHORITY CLINIC B	04
7171089	HARRISMITH PEM SCHEME REGION E	04
7171121	HARRISMITH PHC CLINIC TSHIAME B.	04
7102996	HARRISMITH PRIMARY HEALTH CARE CLINIC	04
7100635	HARRISMITH PRIMARY HEALTHCARE CLINIC TSHIAME	04
7125250	HOBHOUSE CLINIC	04
7125290	KESTELL LOCAL AUTHORITY CLINIC	04
7101291	KESTELL PRIMARY HEALTHCARE CLINIC	04
7102043	LADYBRAND MANTSOPA HOSPITAL Pharmacy	04
7101770	LADYBRAND LIDIA OLD AGE HOME	04
7125330	LADYBRAND LOCAL AUTHORITY CLINIC	04
7171064	LADYBRAND LOCAL AUTHORITY CLINIC MANYATSENG	04
7171066	LADYBRAND LOCAL AUTHORITY CLINIC MAUERSNEK	04
7171065	LADYBRAND LOCAL AUTHORITY IKAHENG CLINIC	04
7120550	LADYBRAND PRIMARY HEALTHCARE CLINIC	04
7171310	LINDLEY LESEDING PRIMARY HEALTHCARE CLINIC	04
7125340	LINDLEY LOCAL AUTHORITY CLINIC	04
71013493	MARQUARD CHC MAMELLO	04
712391	MARQUARD KOKELONG PHC	04
7102530	MARSEILLES PHC ASSISI CLINIC	04
7171123	MEMEL HELPMEKAAR LOCAL AUTHORITY CLINIC	04
7171173	MEMEL ZAMANI LOCAL AUTHORITY CLINIC	04
711710	PAUL ROUX FATENG TSE NTSHO PHC CLINIC	04
7125430	PAUL ROUX LOCAL AUTHORITY CLINIC	04
7125450	PETRUS STEYN L/A REARABETSWE CLINIC	04
7171034	PETRUS STEYN PHC CLINIC	04
7171035	QWA QWA ELIZABETH ROSS HOSPITAL	04
7171023	QWAQWA (WITSIESHOEK) AGRIQWA PHC FARM CLINIC	04
7171091	QWAQWA BLUEGUMBUSH	04
7171006	QWAQWA MAHAIG PRIMARY HEALTH CARE CLINIC (WITSIESH	04

7171030	QWAQWA MAKENENG PHC CLINIC (WITSIESHOEK)	04
7171025	QWAQWA MAKHALANENG PHC CLINIC (WITSIESHOEK	04
7171007	QWAQWA MAKOANE PHC CLINIC (WITSIESHOEK)	04
7171008	QWAQWA MALESAOANE PHC CLINIC (WITSIESHOEK)	04
7171026	QWAQWA MARAKONG CLINIC PHC (WITSIESHOEK)	04
7171009	QWAQWA MATSIENG PHC CLINIC (WITSIESHOEK)	04
7125890	QWAQWA MOFUMAHADI MANAPO HOSPITAL	04
7171004	QWAQWA PHC BOLATO CLINIC (WITSIESHOEK)	04
7171005	QWAQWA PHC DINKWENG CLINIC (WITSIESHOEK)	04
7171010	QWAQWA PHC MONONTSA CLINIC (WITSIESHOEK)	04
7171074	QWAQWA PHC MPHATHALATSANE CLINIC	04
7171011	QWAQWA PHC NAMAHALI CLINIC (WITSIESHOEK)	04
7171012	QWAQWA PHC NTHABISENG CLINIC (WITSIESHOEK)	04
7171027	QWAQWA PHC NTSUBISE CHAOANE CLINIC (WITSIESHOEK)	04
7171013	QWAQWA PHC PABALLONG CLINIC (WITSIESHOEK)	04
7171014	QWAQWA PHC PHUTHADITJHABA CLINIC (WITSIESHOEK)	04
7171028	QWAQWA PHC QHOLAQHOE CLINIC (WITSIESHOEK)	04
7171015	QWAQWA PHC RIVERSIDE CLINIC (WITSIESHOEK	04
7171016	QWAQWA PHC SEKA-MOTHO MOTA CLINIC (WITSIESHOEK)	04
7171017	QWAQWA PHC TEBANG CLINIC (WITSIESHOEK)	04
7171115	QWAQWA PHC THABANG CLINIC	04
7171018	QWAQWA PHC THEKOLOHELONG CLINIC (WITSIESHO	04
7171019	QWAQWA PHC TINA MOLOI CLINIC (WITSIESHOEK)	04
7171031	QWAQWA PHC TSHIRELA CLINIC (WITSIESHOEK)	04
7171024	QWAQWA PHC: EVA MOTA CLINIC (WITSIESHOEK)	04
7171029	QWAQWA THABA-BOSIU CLINIC (WITSIESHOEK)	04
7171073	QWAQWA TSEKI MOBILE PHC CLINIC	04
7125470	REITZ LOCAL AUTHORITY CLINIC	04
7171042	REITZ LOCAL AUTHORITY CLINIC PETSANA	04
7101411	REITZ NKETOANA HOSPITAL	04
7171043	ROSENDAL LOCAL AUTHORITY CLINIC RELEBOHILE	04
712388	SENEKAL BOITUMELO PHC	04
7101429	SENEKAL ITEMOHENG HOSPITAL	04
712389	SENEKAL MATWABENG PHC CLINIC	04
7125510	SENEKAL PHC CLINIC	04
712149	THABO MOFUTSANYANE EMS	04
7125590	TWEESPRUIT CLINIC	04
7171053	TWEESPRUIT BORWA CLINIC	04
7125031	TWEESPRUIT PRIMARY HEALTHCARE CLINIC	04
7125550	TWEESPRUIT THABA PATCHWA L/A Clinic	04
7101607	VREDE AVONDVREDE OLD AGE HOME	04
7125650	VREDE LOCAL AUTHORITY CLINIC	04
7101380	VREDE PHUMELELA HOSPITAL	04
7100554	VREDE PRIMARY HEALTHCARE CLINIC	04
7125670	WARDEN LOCAL AUTHORITY CLINIC	04
7171312	WITSIESHOEK MOHAU ARV CLINIC	04

FEZILE DABI DISTRICT		
7171311	CENTURION PHARMACY DIRECT	05
7125130	CORNELIA PHEKOLONG CLINIC	05
7125140	DENEYSVILLE CLINIC	05
7171095	DENEYSVILLE REFENGKGOTSO CLINIC	05
7125150	EDENVILLE KGOTSO CLINIC	05
7125940	FEZILE DABI DISTRICT OFFICE	05
712348	FEZILE DABI EMS	05
7171259	FICKSBURG EMS	05
7171304	forensic pathology mortuary welkom	05
7171190	FRANKFORT PHAHAMENG CLINIC	05
7171191	FRANKFORT PHILANI CLINIC	05
7125200	FRANKFORT CLINIC	05
7101364	FRANKFORT MAFUBE HOSPITAL	05
7171038	FRANKFORT WILGERUS OLD AGE HOME	05
7125220	HEILBRON CLINIC	05
7171062	HEILBRON RELEBOHILE CLINIC	05
7171063	HEILBRON SANDERSVILLE CLINIC	05
7171059	HEILBRON SIZABANTU CLINIC	05
7101136	HEILBRON BRON VAN HEIL OLD AGE HOME	05
7101398	HEILBRON TOKOLLO HOSPITAL	05
7102069	KOPPIES EMILY HOBHOUSE OLD AGE HOME	05
7171033	KOPPIES KHANYA CHC	05
7171188	KROONSTAD BOPHELONG CLINIC	05
7171187	KROONSTAD BRENTPARK CLINIC	05
7171186	KROONSTAD SEEISOVILLE CLINIC	05
7125320	KROONSTAD CLINIC	05
7126000	KROONSTAD EDELKROON OLD AGE HOME	05
7102491	KROONSTAD HOSPITAL BOITUMELO	05
7171203	KROONSTAD LESEDI CHC	05
7171184	KROONSTAD ORAL HEALTH	05
7171189	KROONSTAD THUSANONG CLINIC	05
7171070	KROONSTAD TSHEPONG CLINIC	05
7171122	ORANJEVILLE METSIMAHOLO CLINIC	05
7125420	PARYS CLINIC	05
7102263	PARYS AMOT OLD AGE HOME	05
7102548	PARYS HOSPITAL	05
7171039	PARYS NAJAARSRUS OLD AGE HOME	05
7171192	PARYS SANEL EPILEPTIC CLINIC	05
7171195	PARYS SCHONKENVILLE CLINIC	05
7120615	PARYS THABANG CLINIC	05
7171198	PARYS THUSANONG CLINIC	05
7171201	PARYS TUMAHOLE CLINIC	05
7171314	PARYS VIVIAN MANGWANE CLINIC	05
7102564	SASOLBURG METSIMAHOLO HOSPITAL	05
7171057	SASOLBURG SPS TSATSI CLINIC	05
7171226	SASOLBURG HARRY GWALA CLINIC	05

7125500	SASOLBURG LOCAL CLINIC	05
7102140	SASOLBURG ONS GRYSE JEUG OLD AGE HOME	05
7171056	SASOLBURG THUSANANG CLINIC	05
7171058	SASOLBURGH ZAMDELA CHC	05
7102116	STEYNSRUS HUIS ONZE RUST OLD AGE HOME	05
7125540	STEYNSRUS SEDIBENG SA BOPHELO CLINIC	05
7125580	TWEELING RAINBOW CLINIC	05
7171185	VILJOENSKROON RAMMULOTSI CLINIC	05
7102085	VILJOENSKROON SIMFONIE OLD AGE HOME	05
7171315	vILJOENSKROON ANGO MASEOLA CLINIC	05
7171036	VILJOENSKROON PAX CHC	05
7125630	VILLIERS PHEDISONG CLINIC	05
712084	VILLIERS QALABOTJHA CLINIC	05
712083	VILLIERS TOWN CLINIC	05
7171113	VIRGINIA PHC MOBILE CLINIC	05
7171047	VREDEFORT KANANELO CHC	05
7100376	VREDEFORT PRIMARY HEALTHCARE CLINIC	05
7171194	VREDEFORT RELEBOHILE CLINIC	05
7102629	WASSERY SENTRALE KROONSTAD	05

THE NATIONAL TREASURY

Republic of South Africa

GOVERNMENT PROCUREMENT:

GENERAL CONDITIONS OF CONTRACT

July 2010

58

GOVERNMENT PROCUREMENT

GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

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

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

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

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

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

TABLE OF CLAUSES

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

General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:

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

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

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

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

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

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

1.7 "Day" means calendar day.

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

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

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

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

RSA.

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

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

1.14 "GCC" means the General Conditions of Contract.

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

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

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

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

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

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

1.21 "Purchaser" means the organization purchasing the goods.

1.22 "Republic" means the Republic of South Africa.

1.23 "SCC" means the Special Conditions of Contract.

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

obligations of the supplier covered under the contract.

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

2. Application

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

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

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

3. General

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

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

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.

72-> And Last Page