

**PROVINCE OF
THE EASTERN CAPE**



**PROVINCE OF
THE EASTERN CAPE**

DEPARTMENT OF EDUCATION

CONTRACT NO: SCMU6-24/25-0004

STANDARD BIDDING DOCUMENT: APPOINTMENT OF SERVICE PROVIDERS FOR THE RENDERING OF CO-SOURCED INTERNAL AUDIT SERVICE TO PROVIDE TECHNICAL CAPACITY TO THE EASTERN CAPE DEPARTMENT OF EDUCATION'S INTERNAL AUDIT ACTIVITY FOR PERIOD OF THIRTY-SIX (36) MONTHS WITH THE OPTION TO EXTEND FOR A PERIOD OF TWENTY-FOUR (24) MONTHS SUBJECT TO BUDGET AVAILABILITY, THE NEED OF THE DEPARTMENT AND SUPPLIER PERFORMANCE.

Issued by:

Province of the Eastern Cape
Department of Education
Private Bag X0032
BISHO
5605

Prepared by:

N. Mahlaza
Steve Vukile Tshwete Education Complex
Zone 6, Zwelitsha
5605

Tel: (040) 608 4524
Contact Person: Mr. P.Nxozana

Name of Bidder: _____

Closing Date: **10TH JUNE 2024**

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	SCMU6-24/25-0004	CLOSING DATE:	10 JUNE 2024	CLOSING TIME:	11:00
DESCRIPTION	APPOINTMENT OF SERVICE PROVIDERS FOR THE RENDERING OF CO-SOURCED INTERNAL AUDIT SERVICE TO PROOVIDE TECHNICAL CAPACITY TO THE EASTERN CAPE DEPARTMENT OF EDUCATIONS INTERNAL AUDIT ACTIVITYFOR PERIOD OF THIRTY-SIX (36) MONTHS WITH THE OPTION TO EXTEND FOR A PERIOD OF TWENTY-FOUR (24) MONTHS SUBJECT TO BUDGET AVAILABILITY, THE NEED OF THE DEPARTMENT AND SUPPLIER PERFORMANCE.				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
RECEPTION AREA OF THE DEPARTMENT OF EDUCATION,					
STEVE VUKILE TSHWETE EDUCATION COMPLEX , ZONE 6,					
ZWELITSHA					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	MR. P. NXOZANA		CONTACT PERSON	MS. B.MNGQOLO	
TELEPHONE NUMBER	040 608 4524		TELEPHONE NUMBER	Tel: (040)608 4174	
FACSIMILE NUMBER	040 608 4663		FACSIMILE NUMBER		
E-MAIL ADDRESS	pakamile.nxozana@ecdoe.gov.za		E-MAIL ADDRESS	bukeka.mngqolo@ecdoe.gov.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> NO		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]	
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					

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**PART B
TERMS AND CONDITIONS FOR BIDDING**

1. BID SUBMISSION:
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).
2. TAX COMPLIANCE REQUIREMENTS
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER’S PROFILE AND TAX STATUS.
2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE.”

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

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:
(Proof of authority must be submitted e.g. company resolution)

DATE:

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**PRICING SCHEDULE – FIRM PRICES
(PURCHASES)**

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

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

Name of bidder:.....	Bid number: SCMU6-24/25-0004
Closing Time 11:00	Closing date: 10TH JUNE 2024

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

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY ** (ALL APPLICABLE TAXES INCLUDED)
----------	----------	-------------	---

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

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

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

*Delete if not applicable

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SBD 3.2

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

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

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

Name of bidder:.....	Bid number: SCMU6-24/25-0004
Closing Time 11:00	Closing date: 10TH JUNE 2024

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

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

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

*Delete if not applicable



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

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BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of institution	State

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

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

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SBD4

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

2.2.1 If so, furnish particulars:

.....
.....

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

2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATION

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

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

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

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SBD4

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

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

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

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

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SBD 6.1

PREFERENCE POINTS CLAIM

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

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS AND DEFINITIONS

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 to not exceed R50 000 000 (all applicable taxes included) and therefore the preference point system shall be applicable; or
- b) Either the 80/20 preference point system will be applicable to this tender.

1.3 Points for this bid shall be awarded for:

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

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

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and Specific goals must not exceed	100

- 1.5 Failure on the part of a bidder to submit the required documents to substantiate the points claimed with the bid, will be interpreted to mean that points for specific goals 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 specific goals 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) **“Specific goals”** means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in *Government Gazette* No. 16085 dated 23 November 1994
- (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. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1 POINTS AWARDED FOR PRICE (the 80/20 or 90/10 preference point systems)

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

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

Where

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

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

3.2.1 POINTS AWARDED FOR PRICE

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

$$\frac{Pt - P_{max}}{P_{max}} \quad \text{or} \quad \frac{Pt - P_{max}}{P_{max}} \quad P_s = 80 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right) \quad \text{or} \quad P_s = 90 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right)$$

Where

- P_s = Points scored for price of bid under consideration
 P_t = Price of bid under consideration
 P_{max} = Price of highest acceptable bid

4. POINTS AWARDED FOR SPECIFIC GOALS

4.1 In terms of Regulation 3 (1) an organ of state must, in the tender documents, stipulate the specific goal in the invitation to submit the tender for which a point may be awarded, and the number of points that will be awarded to each goal, and proof of the claim for such goal.

SPECIFIC GOAL	NUMBER OF POINTS FOR (80/20 PREFERENCE SYSTEM)	NUMBER OF POINTS (90/10 PREFERENCE SYSTEM)
Women Participation	5	
Person with Disabilities	2	
Promotion of Youth	5	
Enterprises located in the Eastern Cape Province	6	
Promotion of Military Veterans	2	

5. BID DECLARATION

5.1 Bidders who claim points in respect of specific goals must complete the following:

SPECIFIC GOAL	NUMBER OF POINTS FOR (80/20 PREFERENCE SYSTEM)	NUMBER OF POINTS (90/10 PREFERENCE SYSTEM)
Women Participation	5	
Person with Disabilities	2	
Promotion of Youth	5	
Enterprises located in the Eastern Cape Province	6	
Promotion of Military Veterans	2	

6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 3.1

6.1 Specific goals: = (maximum of 10 or 20 points)

(Points claimed in respect of paragraph 6.1 must be in accordance with the table reflected in paragraph 3.1 and must be substantiated by submitting the required documents.

7. DECLARATION WITH REGARD TO COMPANY/FIRM

7.1 Name of company/firm:.....

7.2 VAT registration number:.....

7.3 Company registration number:.....

7.4 TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One person business/sole propriety
- Close corporation
- Company
- (Pty) Limited

[TICK APPLICABLE BOX]

7.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES



.....
.....
.....

.....

7.6 COMPANY CLASSIFICATION

Manufacturer

Supplier

Professional service provider

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

[TICK APPLICABLE BOX]

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

7.8 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 specific goals indicated in paragraphs 1.4 and 5.1 of the foregoing certificates, 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 5.1, 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.

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WITNESSES

1.

2.

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.....

SIGNATURE(S) OF BIDDERS(S)

DATE:

ADDRESS

.....

.....

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THE NATIONAL TREASURY

Republic of South Africa



**GOVERNMENT PROCUREMENT:
GENERAL CONDITIONS OF CONTRACT**

July 2010

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GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

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

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

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

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.

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

Js General Conditions of Contract (revised July 2010)



Steve Vukile Tshwete Complex, Zone 6 Zwelitsha, 5608, Private Bag X0032, Bhisho, 5605 REPUBLIC OF SOUTH AFRICA:

REQUEST FOR BID (RFB)

THE EASTERN CAPE DEPARTMENT OF EDUCATION INVITES ALL INTERESTED PARTIES TO SUBMIT BIDS FOR REQUIREMENTS AS STIPULATED BELOW:

DOCUMENT NUMBER:	SCMU6-24/25-0004	
PUBLISH DATE:	10 MAY 2024	
VALIDITY PERIOD	120 Days	
CLOSING DATE AND TIME	10 JUNE 2024	
DESCRIPTION:	APPOINTMENT OF SERVICE PROVIDER(S) FOR THE RENDERING OF CO-SOURCED INTERNAL AUDIT SERVICE (TO PROVIDE TECHICAL CAPACITY TO THE EASTERN CAPE DEPARTMETN OF EDUCATION'S INTERNAL AUDIT ACTIVITY FOR A PERIOD OF THIRTY-SIX (36) MONTHS WITH THE OPTION TO EXTEND FOR A PERIOD OF NOT MORE THAN 24 (TWENTY-FOUR) MONTHS SUBJECT TO BUDGET AVAILABILITY, THE NEED OF THE DEPARTMENT AND SUPPLIER PERFORMANCE.	
PERIOD:	THIRTY-SIX (36) MONTHS	
BRIEFING SESSION:	MANDATORY BRIEFING SESSION WILL BE HELD ECDoe ,MANDLA MAKHUPHULA INSTITUTE (EL INSTITUTE), EAST LONDON ON MONDAY, 20 TH MAY 2024, AT 10H00.	
RESPONSES TO THIS MUST BE FORWARDED TO:	BID RESPONSE DOCUMENTS MUST BE DEPOSITED IN THE TENDER / BID BOX SITUATED AT THE RECEPTION AREA OF THE EASTERN CAPE DEPARTMENT OF EDUCATION HEAD OFFICE, BASED IN STEVE TSHWETE COMPLEX, ZONE 6, ZWELITSHA, 5608	
ENQUIRIES:	Regarding SCM Processes: Mr. P. Nxozana 040 608 4331/4110. pakamile.nxozana@ecdoe.gov.za	Regarding Technical Specification: Ms. B. Mngqolo 040 608 4174 bukeka.mngqolo@ecdoe.gov.za
ATTENTION TO BIDDERS:	BIDDERS MUST ENSURE THAT BIDS ARE DELIVERED IN TIME TO THE CORRECT ADDRESS AND DELIVERED IN THE TENDER BOX WHICH IS ALLOCATED AT THE FOYER IN THE MAIN BUILDING OF THE ECDOE HEAD OFFICE IN ZWELITSHA. IF BID IS LATE, IT WILL NOT BE ACCEPTED FOR CONSIDERATION. THE EASTERN CAPE DEPARTMENT OF EDUCATION'S TENDER BOX IS ACCESSIBLE MONDAY TO FRIDAY, FROM 08:00 TO 16:00. BIDDERS MUST ADVISE THEIR COURIERS OF THE INSTRUCTION ABOVE TO AVOID MISPLACEMENT OR LOSS OF BID RESPONSE. IT IS THE ONUS OF THE BIDDER TO ENSURE THAT THE BID DOCUMENTS ARE DELIVERED ON TIME REGARDLESS OF THE MODE OF DELIVERY. NO BIDS VIA EMAIL WILL BE CONSIDERED.	

Rendering of Co-Sourcing Technical Services to the Internal Audit Activity

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This document sets out the introduction, terms of reference and other required information for the rendering of an effective internal audit service to the Eastern Cape Department of Education.

1) INTRODUCTION

The objectives of the Public Finance Management Act, 1999 as amended (PFMA) are to secure accountability and to regulate financial management in the public sector, thereby ensuring that revenue, expenditure, assets, and liabilities are managed efficiently and effectively.

The Accounting Officer is, in terms of Section 38(1) (a) (i) & (ii) of the PFMA, required to have and maintain efficient, effective, and transparent systems of financial and risk management and internal control and a system of internal audit under the control and direction of the Audit Committee operating in accordance with regulations and instructions prescribed in terms of Section 76 and 77.

The Internal Audit service must adhere to the principles of good corporate governance as stipulated in the King report on corporate governance and the Standards for Professional Practice of Internal Auditing as promulgated by the Institute of Internal Auditors.

2) PROBLEM STATEMENT

For the prior financial years, Internal Audit has not been able to complete its audit coverage due to staff inadequacy which has resulted in the unit having to co- source its functions and supplement with staff members deployed from other units.

The Department has several vacancies which it plans to fill to improve internal capacity. Where a specific skill is required, the section will call on the service provider to provide those skills. There are some challenges relating to delays in the appointment processes which ultimately increase cost as the recruitment process goes via the Office of the Premier (OTP) and at times there is no budget for the appointment of employees.

The Unit requires the services of a Professional Internal Audit Firm to assist in conducting audit reviews for a period of three years with an option to extend for a further two years based on performance of the service provider, the need and budget availability. The department will allocate projects to the potential service provider as and when a specific skill is required by the unit. The Audit Firm will also be required to execute audit plans for the 2024/25 – 26/27 financial years (for three (3) financial years).

3) OVERALL GOALS/ OBJECTIVES

The objective of the Terms of Reference is to appoint a suitable independent Internal Audit Service Provider with competent and skilful personnel that can assist in providing an appropriate Internal Audit Service to the Audit Committee and Management of the Eastern Cape Department of Education (ECDoE).

The successful service provider will report to the Chief Director: Internal Audit (CAE) and as part of the internal audit staff they will also report to the Audit Committee and the HoD. The appointed internal audit service provider



will be required to:

- a) Ensure the successful implementation of the internal audit plan, the independence of the internal audits, adequate consideration of audit reports, and the implementation of audit recommendations.
- b) Provide effective value adding internal audit services that are innovative and responsive to circumstances of the ECDoE and the environment it operates in.
- c) Assist management and the Audit Committee (AC) of the ECDoE in the effective discharge of their responsibilities by providing assurance on various organisational processes.
plans and programmes; thus, furnishing them with analyses, appraisals, recommendations, advice, and information concerning the activities reviewed and by promoting adequate and effective controls.
- d) Provide services in line with the IIA standards and King IV Report on Corporate Governance.
- e) Review the reliability and integrity of financial and operating information and the means used to identify, classify, and report such information.
- f) Review systems established to ensure compliance with policies, plans, procedures, laws, and regulations that could have significant impact on operations and reports and determining whether the organisation complies.
- g) Review the systems of internal control to ascertain whether they are functioning as designed.
- h) Review and appraise the economic, effectiveness and efficiency with which resources are employed.
- i) Review specific programmes or initiatives to ascertain whether results are consistent with established objectives and goals; and whether the programmes or initiatives are being conducted as planned.
- j) The above-mentioned coordinated approach shall be used to maximise internal audit resources and coverage and to ensure that the service provider provides the greatest value to the ECDoE.

4) SCOPE OF INTERNAL AUDIT WORK

The internal audit function will, in consultation with the Audit Committee:

Execute allocated projects.

- a) To be a high-level assessment based on observations made while collaborating with the staff of the Unit.
- b) Assist in addressing the weaknesses that were identified by the recent mentor and transfer skills to the staff members of the Internal Audit Unit.
- c) Assess the adequacy (proficiency levels, resources, and skills) of the members of the Internal Audit Unit and recommend improvements. This is expected in terms of the Independent Quality Assurance Review required by the Institute of Internal Auditors South Africa (IIASA); and
- d) Report to the Audit Committee detailing its performance against the plan, to allow effective monitoring and intervention where necessary. The internal audit function will also ensure compliance with the PFMA and Treasury Regulations (TR), including:
 - e) Annual conclusion on control of the environment.
 - f) Audit working paper files for audits completed.
 - g) Value added advice is provided to management regarding management of risks.
 - h) Assess operating procedures and monitoring mechanism over transfers made and received including transfers in terms of the Division of Revenue Act; and
 - i) Co-ordinate with other internal and external providers of assurance to ensure proper coverage and

Rendering of Co-Sourcing Technical Services to the Internal Audit Activity

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- minimize duplication of effort. The scope of internal audit work entails evaluating the adequacy and effectiveness of the organizational systems of internal controls. This includes:
- j) Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information (i.e., systems).
 - l) Reviewing the systems established by management to ensure compliance with those policies, plans, procedures, laws, and regulations that could have a significant impact on operations and determine whether the organization is complying.
 - m) Reviewing the means of safeguarding assets and verifying the existence of assets.
 - n) Appraising the economy and efficiency with which resources are employed and identifying opportunities to improve operating performance.
 - o) Reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being conducted as planned.
 - p) Reviewing the planning, design, development, implementation, and operation of major computer-based systems to determine whether:
 - i) adequate controls are incorporated in systems.
 - ii) thorough systems testing is performed at appropriate stages.
 - iii) system documentation is complete and accurate; and
 - iv) the needs of users are met.
 - q) Reporting to the Audit Committee in writing regularly on the scope of reviews of good governance and any significant findings.
 - r) The internal audit function must assist the accounting officer in achieving the objectives of the department by evaluating and developing recommendations for the enhancement or improvement of the processes through which:
 - i) Objectives and values are established and communicated.
 - ii) The accomplishment of objectives is monitored.
 - iii) Accountability is ensured; and
 - iv) Corporate values are strengthened.
 - s) Fraud risks and irregularities
In planning and conducting its work, the successful service provider must seek to identify serious fraud risks and irregularities which might result in fraud. Any such irregularities must be reported immediately to the Management of ECDoE as well as the Audit Committee without disclosing these to any unauthorized members of staff.

5) EXPERTISE AND CAPACITY

The key criteria to be considered for the suitability of the service provider include the following: -

5.1 Have the necessary skill, knowledge, capacity, and resources to meet the needs of the ECDoE and to conduct their obligations, including the availability of:

5.1.1 Internal audit skills and tools.

5.1.2 Performance audit skills

5.1.3 Information technology audit skills and tools.

5.1.4 Information technology security capabilities.

5.1.5 Complying with the Internal Audit Standards and are conforming to the IPPF.

5.2 Have knowledge and a comprehensive understanding of the public sector; and an understanding of the

Rendering of Co-Sourcing Technical Services to the Internal Audit Activity



ECDoE enabling legislations.

5.3 The service provider must be able to demonstrate the ability to reach all ECDoE districts and schools within which the ECDoE operates.

5.4 Have a quality control department responsible for ensuring the IIA standards are appropriately applied.

5.5 Demonstrate that they adhere to the IIA standards, particularly as they relate to:

5.5.1 The application of a risk-based approach to auditing.

5.5.2 The use of IT audit resources (Including the appropriate tools)

5.5.3 The availability of resources that perform risk management and governance reviews.

6) PROFESSIONAL MEMBERSHIP

6.1 It is mandatory for the senior resources of the preferred service provider (i.e., directors, senior managers, and specialists) to have the appropriate professional qualification(s) enabling them to perform internal audit services. These must include, but is not limited to the following:

6.1.1 Certified Internal Auditor (Certified by the Institute of Internal Auditors South Africa), or 6.1.2 Chartered Accountant (SA) (Certified by the South African Institute of Chartered Accountants (SAICA)) and

6.1.3 Certified Information Systems Auditor (Certified by ISACA). All core members of the internal audit team must belong to a professional body that regulates the services they offer.

Staffing Requirement

ECDOE requires the team provided by the bidder to be in the following composition:

No	Level	Number of staff required
i)	Director	1
ii)	Audit Managers	3 - 4
iii)	Audit Supervisor	5 - 8
iv)	Internal Auditors (At least 2 years of experience in the field, not graduates)	12 - 20

Timing of assignments

All audits to be conducted according to the Internal Audit Plan and agreed timelines per the individual scope letters. Other assignments will be conducted as agreed with management.

Quality assurance review of work done.

The service provider shall ensure that all work conforms to the International Standards for the Professional Practice of Internal Auditing (SPPIA). Such work shall further be subject to an external quality assurance review as may be considered and quality assurance which will be conducted.

7) SKILLS TRANSFER

a) Transfer of skills intended to develop staff on the basic and or specific understanding of the various

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- audit environments forms part of this request for proposal. The service provider will be expected to:
- i) Ensure that the Department's Internal Audit Unit staff is teamed up with its staff and that they are taken through the entire process of each review, including attending the necessary meetings.
 - ii) Prepare an assessment on each employee after every completed assignment.
 - iii) Recommend suitable training to be provided.
 - iv) Monitor and report on progress of internal staff on the assignments; and
 - v) Monitor and report on progress with regards to on-the-job training.

8) DESCRIPTION AND EXTENT OF WORK

8.1 Performance of audit assignments

Assignments are to be performed in accordance with the Department's internal audit manual and methodology that conform to the Standards for the Professional Practice of Internal Auditing (Institute of Internal Auditors). However, each assignment should consist of the following tasks:

- i) audit preparation,
- ii) preliminary survey (including risk assessment),
- iii) review of internal controls,
- iv) audit testing,
- v) development of findings and recommendations,
- vi) obtaining management responses,
- vii) reporting,
- viii) follow up audits
- ix) Transfer of skills after each engagement.

All procedures and working papers of all projects must be made available to ECDoE during and on completion of projects using TeamMate software and CAATs. (hardcopies and softcopies).

8.2 Quality Assurance reviews of the work

All service providers are required to submit proof of Quality Assurance Review having been performed, on their work, with positive results (overall).

The successful service provider must ensure that all work conforms to the Standards for the Professional Practice of Internal Auditing (Institute of Internal Auditors).

8.3 Independence and objectivity of Audit Staff

In conducting the work, the successful service provider must ensure that their staff maintain their objectivity by remaining independent of the activities they audit.

The service provider shall:

- i) Have no executive or managerial powers, functions, or duties except those relating to the project; and
- ii) Not be involved in the day-to-day operations of the ECDoE.

8.4 Report of audit results

The report(s) on findings and recommendations must be sent to the Manager (Auditee) responsible for implementing those recommendations for their review and comment. The successful service provider must meet with the Auditee to discuss the findings and obtain written responses to recommendations together with implementation dates. If the findings have not been addressed these must then be incorporated into the relevant report.



8.5 Monitoring progress of assignments

The service provider must report on progress to the Chief Audit Executive on a bi-weekly basis. The successful service provider together with the CAE and team shall report and meet with the Head of Department (or his/her delegated official) as and when required and quarterly with the Audit Committee to report on the progress of the work. Additional meetings will be held as and when required. The CAE reserves the right to assess all staff allocated for audits and can request them to be replaced from the projects.

9) APPOINTMENT, COMMENCEMENT AND DURATION

The successful service provider will be appointed for a period of three years effective from the date of appointment.

10) CONTRIBUTION BY THE DEPARTMENT

The current Internal Audit staff is committed to working together with the successful service provider towards the maintenance of the highest ethical standards that can influence employees positively to the accomplishment of the strategic objectives of ECDoE.

11) BID PRICING STRUCTURE

- a) The service provider must provide a comprehensive budget showing the service activities proposed and budgeted hours per activity.
- b) The budget should specify the hourly charge-out rates of staff members assigned to the project.
- c) All assumptions made in drawing up the budget, including all cost factors such as subsistence and travelling must be detailed.
- d) The hours in the Department's Internal Audit Plan are estimates.
- e) The service provider is expected to do its own budget, considering its experience.
- f) Total hours are estimated for each project (i.e., include both the Department's Internal Audit Unit staff and the service provider's staff.
- g) The service provider should show the split and related cost of the Department's Internal Audit Unit staff and the service provider's staff.
- h) The service provider should include a breakdown of the hourly tariff applicable for any ad-hoc projects that may be requested.
- i) In reviewing the quoted fees, the service provider may use the DPSA related salary scale.
- j) The service provider must indicate separately the estimated cost of each intervention/project.
- k) The payments to service provider shall be after completion of a specific project.
- l) Rate per hour should be in line with the DPSA remunerative first notch level. The rate per hour should not exceed to the following DPSA rates:

Level Per Service Provider	Rate Alignment per DPSA level
Partner/Senior Manager	Director (Salary level 13)
Manager	Deputy Director (Salary level 11)
Assistant Manager (Supervisor)	Assistant Director (Salary level 9)



Lower Levels	Internal Auditor (Salary level 8)
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Other Cost:

Since the department is based in Zwelisha, all cost incurred of whatsoever nature by the service provider relating to work performed in Head Office (Zwelisha) will be to the account of the service provider.

- m) Please note that projects should be billed per actual work done and time spent limited to a maximum percentage as per levels of staff below:
 - i) Partner/Senior Manager = 15%
 - ii) Manager/Assistant Manager = 25%
 - iii) Lower Levels = 60%

Table A

Category 1 – Internal Audit Services

Staff Level	Rate per Hour incl VAT
Partner/Senior Manager	
Audit Manager	
Audit Supervisor/ Senior Auditor	
Auditors (At least 2 years of experience in the field, not graduates)	
Total	

Category 2 – ICT and Consulting Activity Internal Audit Services (will be used as and when services are needed)

Staff Level	Rate per Hour incl VAT
Partner/Senior Manager	
Audit Manager	
Audit Supervisor/ Senior Auditor	
Auditors (At least 2 years of experience in the field, not graduates)	
Total	

Category 3 – Performance Audit Internal Audit Services



Staff Level	Rate per Hour incl VAT
Partner/Senior Manager	
Audit Manager	
Audit Supervisor/ Senior Auditor	
Auditors (At least 2 years of experience in the field, not graduates)	
Total	

12) SPECIAL CONDITIONS - BID TERMS AND CONDITIONS

12.1 CONTENT OF BID PROPOSAL

The proposal must include the following:

- a) All relevant perceived strengths and weaknesses of the firm quoting for the service, e.g., similar previous experience, in-house skills etc., providing information which will assist ECDoE to assess its capabilities, capacity, competitive advantages etc.
- b) The summary of the service provider's mission statement, the vision statement, values and long-term strategies and objectives as comprehensively as possible; a proposed plan of action to achieve the objectives of Internal Audit Function. Such a plan should cover short- and medium-term steps to manage the Internal Audit function.
- c) A list of references of previous and current Internal Audit appointments and their contact details to provide evidence of experience in performing government departments' internal audits; at least three reference letters must be included.
- d) Proof of valid membership of a relevant professional body and length of service provider's membership.
- e) As far as is possible, provide an overview of the methodology to be applied and provide evidence of possession of relevant risk management and internal audit software (where necessary).
- f) An organogram or list of partners, managers, specialists and clerks, together with the curriculum vitae (reflecting their public sector experience) of the staff who will be available for the duration of the work and their professional qualifications; The service provider will not be allowed to change proposed staff members without written approval of the Department in response to a written request by the service provider; any unauthorized staff changes regarding staff allocated to ECDoE will not be reimbursed;
- g) Details of staff training and development policies and procedures, with specific mention of affirmative action policies.
- h) A breakdown of the hourly tariff inclusive for services rendered.
- i) Proof of Quality Assurance Reviews having been done with positive results, if not reasons should be provided as to why the EQAR was not done or in cases where the results of the EQAR were unsatisfactory.
- j) Demonstrate their ability to conduct IT/ Performance audits.
- k) All potential service providers are required to submit Reference Letters for all project completed and should include the following:



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- Company Name;
- Name of contact person;
- Address;
- Phone Number;
- Duration of Contract;
- Contract value;
- Brief description of service; and
- Level of client satisfaction

- i) All service provided are to provide evidence of conformance to the IIA Standards in conformance of the external Quality Assurance Review (QAR).

NB: The department reserve the right to award the bid to more than one service provider, in part or not award the bid at all.

13) EVALUATION OF BIDS

Bids will be evaluated based on Administrative Compliance, Functionality and Price based on the 80/20 preference point system in terms of the Revised Preferential Procurement Policy Framework Act (PPPFA) and Regulations and the PPR of 2022.

14) ELIMINATION CRITERIA - STAGE 1: ADMINISTRATIVE COMPLIANCE

The service provider must:

- a) Attend the compulsory briefing.
- b) The bid proposal must contain a fully completed SBD 1 document.
- c) The suppliers must be register on the Central Supplier Database (CSD) and must be fully compliant in all aspects.
- d) Bid proposers must complete and sign all the attached standard bidding documents (SBD1, SBD3.1, SBD 3.2, SBD 4, SBD 6.1,).
- e) Be registered in terms of the Independent Regulatory Board for Auditors, the Institute of Internal Auditors (IIA) or the Institute of Public Finance and Auditing (IPFA).
- f) Not be under public or private reprimand/warning of a professional association (with good standing with the accredited bodies).
- g) All constant team members involved in the project must have membership of the Institute of Internal Auditors (IIA).

15) STAGE 2: FUNCTIONALITY

A response for each element is required. The functionality scoring has a total of 100 points, bidders who score below 70 points will not proceed to the next evaluation:

NO.	ELEMENT	WEIGHT
1	CRITERIA POINTS Human Resource Capacity	40

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1. Team Leader

Extent of experience in the Audit field with a minimum of 5 years:
A service provider can claim a maximum of 20 points in this section. The points will be allocated as follows: If the team leader has more than 8 years or more proven experience as Partner (CA/CIA) = 20, 5 - 7 years' experience or more as Partner (CA/CIA) = 10 Partner (CA/CIA), Less than 5 years as partner (CA/CIA) = 0

Years	Points
8 – more	20
5 – 7	10
Less than 5 years	0

2. Project Team

Extensive experience in the Audit field with a minimum of 3 years:
A service provider can claim a maximum of 20 points in this section. The points will be allocated as follows: If the project team has more than 8 years or more proven experience = 20, 6 - 7 years' experience or more = 15, 3 - 5 years' experience or more = 10, Less than 3 years = 0

Years	Points
8 – more	20
6 – 7	15
3 – 5	10
Less than 5 years	0

Average points of the members of the team will be used.
NB: CVs and certificates with at least three contactable references must be provided for each person. (All potential service providers are required to submit Reference Letters for all project completed and detailed as illustrated in number 12.1. k)



2	<p>3. Number of successful audit assignment</p> <p>The number of Internal Audit engagements successfully undertaken by the bidder in the Public Sector</p> <p>A service provider can claim a maximum of 40 points in this section. If the service provider has completed between 8 – more audits successfully in the public sector = 40. Completed between 5 – 7 audits successfully in the public sector = 20, completed between 2 -4 more audits successfully in the public sector = 10.</p> <table border="1"> <thead> <tr> <th>Years</th> <th>Points</th> </tr> </thead> <tbody> <tr> <td>8 – more</td> <td>40</td> </tr> <tr> <td>5 – 7</td> <td>20</td> </tr> <tr> <td>2 – 4</td> <td>10</td> </tr> </tbody> </table>	Years	Points	8 – more	40	5 – 7	20	2 – 4	10	40
Years	Points									
8 – more	40									
5 – 7	20									
2 – 4	10									
3	<p>4. Ability to conduct specialised audits</p> <p>The service provided must have ability to perform specialised audits and be able to do data analytics.</p> <p>A service provider can claim a maximum of 20 points in this section. If the service provider can perform IT related and performance audits = 20, If the service provider can only perform IT related audits = 10. If the service provider can only perform Performance audits = 10.</p> <table border="1"> <thead> <tr> <th>Years</th> <th>Points</th> </tr> </thead> <tbody> <tr> <td>IT Related Audits & Performance Audits</td> <td>20</td> </tr> <tr> <td>IT Related Audits Only</td> <td>10</td> </tr> <tr> <td>Performance Audits Only</td> <td>10</td> </tr> </tbody> </table>	Years	Points	IT Related Audits & Performance Audits	20	IT Related Audits Only	10	Performance Audits Only	10	20
Years	Points									
IT Related Audits & Performance Audits	20									
IT Related Audits Only	10									
Performance Audits Only	10									
TOTAL		100								

NB! Only bidders who obtain at least 70 points for functionality (Stage 2 evaluation) will qualify for evaluation in terms of price and preference points (Stage 3 evaluation).

15.1 Points scored by qualifying bidders in Stage 2 will not be taken into consideration for Evaluation at Stage 3.

16) STAGE 3: PRICE AND PREFERENCE

- The **80:20 Preference Point System** in terms of the Revised Preferential Procurement Policy Framework Act (PPPFA) and Regulations and the PPR of 2022 will be judiciously applied. Bids with a threshold value of less than R50 000 000,00 will be evaluated on the 80/20 principle.
- Preference points shall be allocated as per below table:



Preferential Goals Historically Disadvantaged Individuals	Percentage Allocated	Allocation of Points 80/20
Women Participation	20	5
Persons with Disabilities	10	2
Promotion of Youth	20	5
Specific Goals		
Enterprises located in the Eastern Cape Province	40	6
Promotion of Military Veterans	10	2

CLAIMING OF PREFERENCE POINTS

- o Preference points allocated Historically Disadvantaged individuals may be claimed by Persons who had no franchise in national elections prior to 1983 and 1993.
- o Preference points allocated for women may be claimed if there is sufficient evidence that such woman has ownership of 51% or more of the enterprise shareholding.
- o Preference points allocated for persons with disabilities may only be claimed there is sufficient evidence that such person has ownership of 51% or more of the enterprise shareholding.
- o Preference points allocated for promotion of youth may only be claimed if there is sufficient evidence that such youth has ownership of 51% or more of the enterprise shareholding.
- o For promotion of enterprises located within the Eastern Cape Province may be claimed by submission of proof that the enterprise is located within the borders of Eastern Cape Province. This includes an enterprise whose head office may be situated in another province but has a fully-fledged branch within Eastern Cape Province. Enterprises located outside the borders of the Eastern Cape Province and who only appoints agents and/ or commission warehouses in this municipal area are expressly excluded from claiming points for this goal.
- o Preference points may be allocated to other RDP goals as follows:
 - Promotion of South African owned enterprises.
 - Promotion of export-oriented production to create jobs.
 - Creation of new jobs or intensification of labour absorption.
 - Promotion of enterprises located in the rural areas.
 - Promotion of enterprises located in specific municipal area for work to be done or service to be rendered in that municipal area.

NB: Please provide proof of HDI and Specific Goals as indicated in the Specification to claim points. This will however be verified by the Department, using the following POE amongst others (but not limited to)

NO	Preferential Goals Historically Disadvantaged Individuals	Possible Supporting Documents
1	Women Participation	CSD report and ID copy of owner/s and proof it is owned by women
2	Persons with Disabilities	Confirmation of disability by a registered practitioner
3	Promotion of Youth	CSD report and ID copy of owner/s
4	Enterprises located in the Eastern Cape Province	Proof of Interest in the form of municipal bills, title deeds and signed lease agreements
5	Promotion of Military Veterans	Certificate of registration, CSD report and ID copy of owner/s
6	In case of JV and Consortiums	Company composition documents and JV agreement indicating % allocation of work per JV partner



NB: The bidder who failed to submit the above will not be awarded points.

17) FEES AND PAYMENT

The service provider must submit its financial proposal on a fixed fee basis including Value Added Tax (VAT) and disbursements. Pricing will be a major factor in determining the suitability of the proposal regarding the service to be provided. The rates as laid down and illustrated in table 11 (I) and should not be exceeded.

Disbursements: Disbursement costs will be reimbursed at the actual costs incurred; no additions will be allowed. Accommodation cost per night should be capped at R1400 maximum amount, The department will re-imburse cost incurred for the usage of motor vehicle with an engine capacity not exceeding 2.0L (litre) using AA rates for travelling anything above that capacity will not be paid by the department. All invoice submitted for cost incurred will be paid on cost and should include timesheets.

16) COMMUNICATION

All communication concerning this bid should be directed as follows:

Regards to Terms of Reference	Regards Bid Conditions
Mr. Charles Addae Chief Audit Executive (A) Tel: (040) 608 4787 / 4706 Fax (040) 608 4365 Charles.addae@ecdoe.gov.za	Mr. P Nxozana Deputy Director: Contract Management Tel: (040) 608 4500 Fax (040) 608 4663 Pakamile.nxozana@ecdoe.gov.za

MR C. ADDAE
CHIEF DIRECTOR (A) – INTERNAL AUDIT

_____/_____/_____
DATE



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RECOMMENDATION BY THE BID SPECIFICATION COMMITTEE

COMMENTS:

The document was presented and thoroughly dealt with hence it is recommended to go through



23/04/2024

CHAIRPERSON:

DATE

BID SPEC COMMITTEE




28/04/2024

MEMBER

DATE

BID SPEC COMMITTEE



23/04/2024

MEMBER

DATE

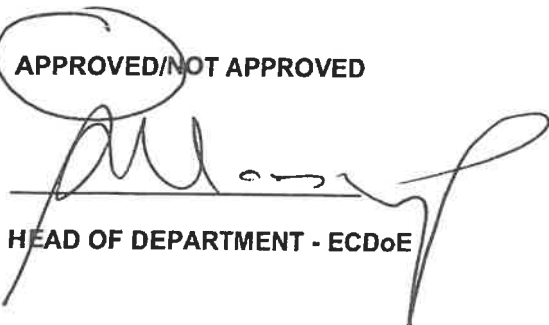
BID SPEC COMMITTEE

MEMBER

DATE

BID SPEC COMMITTEE

APPROVED/NOT APPROVED



HEAD OF DEPARTMENT - ECD&E

DATE

Rendering of Co-Sourcing Technical Services to the Internal Audit Activity