



**UBUHLEBEZWE LOCAL MUNICIPALITY**

**INVITATION TO BID  
BID REFERENCE NO. : UBU-B-03/09/20**

**BID DOCUMENT**

**TELEPHONE MANAGEMENT SYSTEM**

**PROCUREMENT DOCUMENT**

Name of Tenderer \_\_\_\_\_

Telephone Number \_\_\_\_\_

Fax Number \_\_\_\_\_

Address \_\_\_\_\_

Tender Sum \_\_\_\_\_

BBBEE Level \_\_\_\_\_

CSD Reg. No. \_\_\_\_\_

**CLOSING DATE OF THE BID: 16 October 2020 AT 12:00**

**AT THE TENDER BOX PLACED AT THE FRONT ENTRANCE OF  
PEACE INITIATIVE HALL**

**NO LATE SUBMISSIONS WILL BE CONSIDERED**

**UBUHLEBEZWE MUNICIPALITY**

**P.O. BOX 132, IXOPO, 3276**

**TEL: (039) 834 7700**

**FAX: (039) 834 1168**

## CLOSING DATE AND SUBMISSION OF DOCUMENTATION

**The Closing Date and Time for Submission of offers is 16 October 2020 at 12:00**

The offers will remain valid for 90 days from the closing date for submission of proposals

Bidders should ensure that bids are delivered timeously to the correct address. Bids which are late incomplete, unsigned or submitted by facsimile or electronically will not be accepted. Documents must be submitted in a clearly marked sealed envelope and placed in the tender box of the Municipality, which can be found at the the Front Entrance of:

Peace Initiative Hall two blocks below the Ixopo High School. Map showing Peace Initiative Hall has been provided below:



# **TENDER ADVERT**

29 Margaret Street  
Ixopo  
3276  
Tel: 039 8347700  
Email: mm@ubuhlebezwe.gov.za



Po Box 132  
Ixopo  
3276  
Fax: 039 8341168  
Webpage: www.ubuhlebezwe.gov.za

## UBUHLEBEZWE MUNICIPALITY

### INVITATION TO BID

Ubuhebezwe Municipality invites suitable, qualified, and experienced service provider to provide services to the municipality.

| PROJECT NAME                                                                               | BID NUMBER     | CIDB Grade    | Compulsory Briefing session                                                                                                                            | AVAILABILITY OF TENDER DOCUMENTS                                                                                                                                                                                                                                                         | NON REFUNDABLE PRICE                                   | CLOSING DATE                           |
|--------------------------------------------------------------------------------------------|----------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------|
| Supply, delivery and installation and configuration of ARCGIS Standard software            | UBU-B-01/09/20 | N/A           | N/A                                                                                                                                                    | Documents will be available from 22 <sup>nd</sup> September 2020 at 10h00.<br>Cut-off for EFT purchases: 22nd June 2020 @17h00<br>Cut-off for purchase through our cashiers: 30 <sup>th</sup> September 2020 @15h30<br>Cut-off date for sending queries is 09 <sup>th</sup> October 2020 | R 404.25 per doc. Cashier's Office.29 Margaret Street  | 16 <sup>th</sup> October 2020 at 12h00 |
| Panel of environmental consultants for the financial years (2020/2021;2021/22 and 2022/23) | UBU-B-02/09/20 |               |                                                                                                                                                        |                                                                                                                                                                                                                                                                                          | R 729.31 per doc. Cashier's Office.29 Margaret Street  |                                        |
| Telephone Management System                                                                | UBU-B-03/09/20 |               |                                                                                                                                                        |                                                                                                                                                                                                                                                                                          |                                                        |                                        |
| Provision of hygiene services for 24 months (Re-advertisement)                             | UBU-B-04/09/19 |               |                                                                                                                                                        |                                                                                                                                                                                                                                                                                          |                                                        |                                        |
| Supply & install CCTV Cameras at Ixopo CBD                                                 | UBU-B-04/09/20 |               | 30 September 2020 at 10h30<br><br>Venue: Peace Initiative Hall<br><br>Cut-off for briefing confirmation: 28 <sup>th</sup> September 2020               |                                                                                                                                                                                                                                                                                          |                                                        |                                        |
| Construction of High Mast Projects                                                         | UBU-B-05/09/20 | SEP or Higher | 29 <sup>th</sup> September 2020 at 10h30<br><br>Venue: Peace Initiative Hall<br><br>Cut-off for briefing confirmation: 25 <sup>th</sup> September 2020 | Documents will be available from 22 <sup>nd</sup> September 2020 at 11h00.<br>Cut-off for EFT purchases: 25 <sup>th</sup> September 2020 @17h00<br>Cut-off for purchase through our cashiers: 28 <sup>th</sup> September 2020 @15h30                                                     | R 1458.61 per doc. Cashier's Office.29 Margaret Street |                                        |

(100% local steel manufactured material must be supplied & MBD 6.2 local production & content must

be completed for the CCTV Camera and high mast)( 90% local cables must be supplied & MBD 6.2 local production & content must be completed for the High Mast)

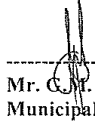
BID Documents clearly marked the " bid name and the relevant BID NO." must be deposited in the tender box at the entrance of Peace Initiative Hall where bids will be opened in public. The name and address of the bidder must be clearly written on the sealed envelope containing the bid.

**NB: Latecomers will not be admitted. Only tenderers with tender documents will be allowed to attend the briefing session. Tenderers to send confirmation to attend briefing via email to [nngewu@ubuhlebezwe.gov.za](mailto:nngewu@ubuhlebezwe.gov.za) indicating company name and representative. Should the number exceed 40 two session will be held and communication will be sent to all bidders prior the briefing date. Tender documents will also be available free of charge on [www.etenders.gov.za](http://www.etenders.gov.za) and [www.ubuhlebezwe.gov.za](http://www.ubuhlebezwe.gov.za) . Tenderers without a face mask will not be allowed to attend the briefing session and you will be required to be at the briefing venue by 10h00 in order to ensure compliance with Covid 19 regulations (sanitizing, screening, social distancing etc.). Tenderers who fail to meet the stated time will not be allowed to the venue. Any person who will be found with a body temperature of 38°C and above will not be allowed in the venue.**

**Enquiries regarding this notice may be directed as follows:**

Attention: High Mast, Environmental Consultants . Arc GIS Software: Mr S B Mkhwanazi ([sbmkhwanazi@ubuhlebezwe.gov.za](mailto:sbmkhwanazi@ubuhlebezwe.gov.za) ), CCTV – Mrs N C Mohau ([nemohau@ubuhlebezwe.gov.za](mailto:nemohau@ubuhlebezwe.gov.za)) . Telephone system- M s P Luswazi ([pluswazi@ubuhlebezwe.gov.za](mailto:pluswazi@ubuhlebezwe.gov.za) ) and SCM related matters : Ms S Sityata([ssityata@ubuhlebezwe.gov.za](mailto:ssityata@ubuhlebezwe.gov.za) ) Tel: 039 – 834 7700 Fax: 039 – 834 1168

Late bids or bids received by way of post, facsimile or e-mail will, under no circumstances, be considered. The Ubuhlebezwe Municipality subscribes to the Preferential Procurement Framework Act, Act 5 of 2000. The 80/20 principle applies to this bid. Bids shall be valid for a period of 90 days. The Ubuhlebezwe Local Municipality does not bind itself to accepting the lowest, or any bid, either wholly or in part or give any reason for such action. If the price offered by tenderer is not market related the municipality may not award the contract to that tenderer and may negotiate for market related price with the tenderer, failing which negotiate with the next highest scoring tenderer or the tender may be cancelled.

  
-----  
Mr. C. M. Sineke  
Municipal Manager

# MBD1

## PART A INVITATION TO BID

|                                                                                                                                                                       |                                                                                    |               |                                                                          |                                                                                       |       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|---------------|--------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------|
| <b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF MUNICIPALITY/ MUNICIPAL ENTITY)</b>                                                                 |                                                                                    |               |                                                                          |                                                                                       |       |
| BID NUMBER:                                                                                                                                                           | UBU-B-03/09/20                                                                     | CLOSING DATE: | 16 October 2020                                                          | CLOSING TIME:                                                                         | 12h00 |
| DESCRIPTION                                                                                                                                                           | TELEPHONE MANAGEMENT SYSTEM                                                        |               |                                                                          |                                                                                       |       |
| <b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).</b>                                                                     |                                                                                    |               |                                                                          |                                                                                       |       |
| BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)                                                                                   |                                                                                    |               |                                                                          |                                                                                       |       |
| <b>UBuhlebezwe Municipality</b>                                                                                                                                       |                                                                                    |               |                                                                          |                                                                                       |       |
| <b>29 Margaret Street</b>                                                                                                                                             |                                                                                    |               |                                                                          |                                                                                       |       |
| <b>Ixopo</b>                                                                                                                                                          |                                                                                    |               |                                                                          |                                                                                       |       |
| <b>3276</b>                                                                                                                                                           |                                                                                    |               |                                                                          |                                                                                       |       |
| <b>SUPPLIER INFORMATION</b>                                                                                                                                           |                                                                                    |               |                                                                          |                                                                                       |       |
| NAME OF BIDDER                                                                                                                                                        |                                                                                    |               |                                                                          |                                                                                       |       |
| POSTAL ADDRESS                                                                                                                                                        |                                                                                    |               |                                                                          |                                                                                       |       |
| STREET ADDRESS                                                                                                                                                        |                                                                                    |               |                                                                          |                                                                                       |       |
| TELEPHONE NUMBER                                                                                                                                                      | CODE                                                                               |               | NUMBER                                                                   |                                                                                       |       |
| CELLPHONE NUMBER                                                                                                                                                      |                                                                                    |               |                                                                          |                                                                                       |       |
| FACSIMILE NUMBER                                                                                                                                                      | CODE                                                                               |               | NUMBER                                                                   |                                                                                       |       |
| E-MAIL ADDRESS                                                                                                                                                        |                                                                                    |               |                                                                          |                                                                                       |       |
| VAT REGISTRATION NUMBER                                                                                                                                               |                                                                                    |               |                                                                          |                                                                                       |       |
| TAX COMPLIANCE STATUS                                                                                                                                                 | TCS PIN:                                                                           |               | OR                                                                       | CSD No:                                                                               |       |
| B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]                                                                                                    | <input type="checkbox"/> Yes<br><br><input type="checkbox"/> No                    |               | B-BBEE STATUS LEVEL SWORN AFFIDAVIT                                      | <input type="checkbox"/> Yes<br><br><input type="checkbox"/> No                       |       |
| <b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b> |                                                                                    |               |                                                                          |                                                                                       |       |
| ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?                                                                         | <input type="checkbox"/> Yes <input type="checkbox"/> No<br>[IF YES ENCLOSE PROOF] |               | ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED? | <input type="checkbox"/> Yes <input type="checkbox"/> No<br>[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                                                                                                                               |                                                                                    |               |                                                                          |                                                                                       |       |
| <b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>                                                                                                                |                                                                                    |               | <b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>                         |                                                                                       |       |
| DEPARTMENT                                                                                                                                                            | BTO                                                                                |               | DEPARTMENT                                                               | Corporate                                                                             |       |
| CONTACT PERSON                                                                                                                                                        | Ms S Y Sityata                                                                     |               | CONTACT PERSON                                                           | Ms P Luswazi                                                                          |       |
| TELEPHONE NUMBER                                                                                                                                                      | 039 834 7700                                                                       |               | TELEPHONE NUMBER                                                         | 039 834 7700                                                                          |       |
| FACSIMILE NUMBER                                                                                                                                                      | 039 834 1168                                                                       |               | FACSIMILE NUMBER                                                         | 039 834 1168                                                                          |       |
| E-MAIL ADDRESS                                                                                                                                                        | <a href="mailto:ssityata@ubuhlebezwe.go.za">ssityata@ubuhlebezwe.go.za</a>         |               | E-MAIL ADDRESS                                                           | <a href="mailto:pluswazi@ubuhlebezwe.gov.za">pluswazi@ubuhlebezwe.gov.za</a>          |       |

## PART B

### TERMS AND CONDITIONS FOR BIDDING

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. BID SUBMISSION:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p>1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p> <p>1.2. <b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE</b></p> <p>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) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>2. TAX COMPLIANCE REQUIREMENTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>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.</p> <p>2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.</p> <p>2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.</p> <p>2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.</p> <p>2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.</p> <p>2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.</p>                                                                                |
| <b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p>3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span></p> <p>3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span></p> <p>3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span></p> <p>3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span></p> <p>3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span></p> <p><b>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.</b></p> |

**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: .....





## **UBUHLEBEZWE LOCAL MUNICIPALITY**

### **TERMS OF REFERENCE**

### **TELEPHONE MANAGEMENT SYSTEM**



## **TABLE OF CONTENT**

- 1. PURPOSE**
- 2. BACKGROUND**
- 3. SCOPE OF WORK**
- 4. CONDITIONS OF THE CONTRACT/ PROJECT DURATION**
- 5. EVALUATION CRITERIA**
- 6. PROPOSAL**
- 7. NON-APPOINTMENT**
- 8. GENERAL**
- 9. ACCEPTANCE AND OFFER**
- 10. LIST OF RETURNABLE DOCUMENTS**
- 11. DOCUMENTATION**

### **ANNEXURES10**

Form A: Key Personnel

Form B: Relevant Experience

Returnable Documents

MBD 4: Declaration of Interest

MBD 6.1: Preference Points Claim Form in Terms of the Preferential Procurement Regulations 2017

MBD 8: Declaration of Bidder's Past Supply Chain Management Practices

MBD 9: Certificate of Independent Bid Determination

General Conditions of Contract

## **1. PURPOSE**

The purpose of the bid is to solicit proposals from suitable service providers to render the following required services to Ubuhlebezwe Municipality over a period of 36 - months:

1. Provision, support, maintenance and management of Telephone Management System PBX (Private Branch Exchange) solution
2. Provide Itemized billing reports and alerts as per the Ubuhlebezwe Municipality's requirements.
3. Bidders to respond in the following way:
  1. Demonstrate both the ability and the solution with respect to the element(s) concerned;
  2. Demonstrate the track record in undertaking similar projects
  3. Demonstrate compliance with the Municipality's requirements

## **2. BACKGROUND**

Ubuhlebezwe Municipality located in Harry Gwala District Municipality in Ixopo. The Municipality currently has six buildings which are : Mainbuilding, Traffic & SD(Both connecting via fiber link to main building),Disaster Centre (will have 4mg microwave line), PI Hall(Connected via loco M5 wifi link to mainbuilding, Thusong building running on an 4mg microwave mpls connectivity for internet connectivity and Soweto has no connectivity currently. The main building currently has 30 MB Microwave line configured to be increased to 40MB and virtualized server infrastructure backed up at Dube Trade Port. In order to support the Municipalities' mission, to strive to deliver an appropriate level of service to all of its citizens by the year 2025 and alleviate poverty by promoting sustainable development through good governance and accountability, Ubuhlebezwe Local Municipality seeks to modernize and transform its ICT infrastructure to enable greater capacity, availability and capability by leveraging off new technologies while at the same time reducing capital expenditure.

## **3. SCOPE OF WORK**

The provision, configuration and maintenance of Voice/SIP-based video conferencing solution to all Ubuhlebezwe Municipality offices over a period of 36-Months.

The minimum specifications for the provision of Voice/SIP-based video conferencing solution at Main Office and all offices are as follows: -

The following are to be provided by the Service Provider:

## VoIP

Provision of a hosted PBX (Private Branch Exchange)solution for all users located at the Main Office and 11 x remote offices. User quantities per site as follows:

|     |                       |
|-----|-----------------------|
| 105 | Main Office           |
| 10  | SD Building           |
| 3   | Traffic Building      |
| 2   | Library               |
| 2   | Peace Initiative Hall |
| 2   | Thusong Centre        |
| 4   | Disaster Centre       |
| 1   | Soweto Hall           |

The Main Office must be connected to the hosted PBX (Private Branch Exchange) (Private Branch Exchange) via a microwave/fiber and must include a Wireless Failover. Service provider to provide options for a failover solution for Emergency Services, Fire Station and Traffic department.

Each site/office must have a direct connection and dedicated VLAN (Virtual LAN) to the hosted PBX (Private Branch Exchange) (Private Branch Exchange) to ensure quality of service for voice calls. The existing telephone numbers must be ported to the new service provider. An uncapped voice service must be provided for each site. i.e. local, national and South African mobile calls will be at no cost. Only international calls will incur the appropriate cost.

The switchboard will be centralized at the Main Office to screen and transfer calls to any department at no cost. All internal calls are to be at zero rate.

A hosted voice recorder is required for Emergency Services and several designated extensions.

All users to be equipped with a Gigabit IP telephone. Please provision telephone devices as follows: 80% standard user, 15% manager and 5% executive. A softphone application must be provided for all users that require mobility when away from the office. Outgoing calls from this device should be made for business purposes using uncapped VoIP provided by the hosted PBX (Private Branch Exchange) service. A self-care administration portal must be made available to manage telephone users and PBX (Private Branch Exchange) functions if required.

The PABX (Private Automatic Branch Exchange) is to provide typical business grade functionality and should at minimum provide the following features:

1. Ad hoc call recording
2. Ad hoc video conferencing
3. Announced transfer
4. Auto (Day/Night) services
5. Automated attendants
6. Bespoke MoH (Music on Hold)
7. BLF's (Busy lamp fields)
8. Blind transfer
9. Call barring
10. Call pick up groups
11. Call forking / mobile twinning
12. Call recording
13. Call waiting
14. Number porting
15. Incoming CLI (Caller Line Identification) call screening
16. CDR's (Call Data Records)
17. Common address book
18. Dial by name
19. Distinctive ring
20. Divert all calls
21. Divert on Busy
22. Divert on No Answer
23. DND (Do not disturb)
24. Fax (Inbound) (Fax to email)
25. Fax (Outbound)
26. Voicemail to Email
27. Group voicemail to e-mail
28. Hunt groups / overflow groups
29. Inbound DDI's (Direct Dialing Inward)
30. Intercom ring / paging
31. Multiple voicemail greetings
32. Outbound CLI (Caller Line Identification)
33. PIN code dialing
34. Auto provisioning
35. Remote voicemail retrieval
36. Speed dials
37. Time of day call routing
38. Transfer to voicemail
39. Web user admin interface
40. Web user Interface /
41. Video
42. Free APP to APP/Fixed Extension Calls (DATA ONLY)
43. Unlimited x Mobile App Set ups

44. Installation and Maintenance
45. Training and Setup

## **Technical Specifications**

### **Data Networking**

- One RJ-45 Port Ethernet
- MAC address (IEEE 802.3)
- IPx4-Internet Protocol Version 4 (RFC 791) upgradeable to v6 (RFC 1883)
- ARP - Address Resolution Protocol
- DNS - A Record (RFC1706), SRV Record (RFC 2782)
- DHCP - Dynamic Host Configuration Protocol (RFC 2131)
- ICMP Internet Control Message Protocol (RFC 792)
- TCP - Transmission Control Protocol (RFC 793)
- UDP - User Datagram Protocol (RFC 798)
- RTP - Real Time Protocol (RFC 1889)
- DiffServ (RFC 2475), Type of Service - TOS (RFC 791/1349)
- SNTP - Simple Network Time Protocol (RFC 2030)

### **Voice Gateway**

- SIP v2 - Session Initiation Protocol Version 2 (RFC 3261, 3262, 3263, 3264)
- SIP Proxy Redundancy - Dynamic via DNS SRV, A Records
- Re-registration with Primary SIP Proxy Server
- SIP Support in Network Address Translation Networks - NAT incl. STUN)
- Secure (Encrypted) Calling via Pre-Standard Implementation of Secure RTP
- Codec Name Assignment
- Dynamic Payload
- Adjustable Audio Frames per Packet
- Fax Tone Detection Pass-Through
- DTMF (Dual-tone multi-frequency signaling): In-band and Out-band (RFC 2833) (SIP INFO)
- Flexible Dial Plan Support with Interdigit Timers and IP Dialing
- Call Progress Tone Generation
- Jitter Buffer - Adaptive
- Frame Loss Concealment
- Full Duplex Audio
- Echo Cancellation - (G. 165/G.168) up to 128ms
- VAD - Voice Activity Detection w/ Silence Suppression
- Attenuation / Gain Adjustments
- Flash Hook Timer
- MWI - Message Waiting Indicator Tones
- VMWI(Visual Message Waiting Indicator) - Via FSK
- Polarity Control
- Hook Flash Event Signaling

- Caller ID Generation (Name & Number) - Bellcore, DTMF (Dual-tone multi-frequency signaling), ETSI (European Telecommunications Standards Institute) (European Telecommunications Standards Institute)
- Music on Hold Client (Downloadable MOH Content)

### **Voice Codecs**

- G.711 (A-Law and  $\mu$ -law)
- G.711 Annex I
- G.726 (16/24/32/40 kbps)
- G.729, G.729A
- G.726-32

### **Provisioning/Configuration/Authentication**

- HTTPS with Factory Installed Client Certificate
- HTTP Secure Provisioning
- HTTP Digest - Encrypted Authentication via MD5 (RFC 1321)
- Password Protected Admin and User Access
- Up to 256 bit RCS or RC4 Encryption
- Device Locking

Bid pricing for the hosted PBX (Private Branch Exchange) service must include all professional services e.g. project management, setup, configure, installation, training, maintenance cut over and commissioning.

The nominated service provider must plan and design the solution in a way that will minimize impact on Ubuhlebezwe Municipality user base and deliver a "best practice" environment.

The ISP will provide knowledge transfer and training for technical and support staff. The Contractor will plan and deliver business change delivery process that will minimize the business change impact whilst delivering the Telephone Management Solution.

Technical support would be provided by the contractor. Installation and Configuration of the Telephone Management Services would be performed by the nominated SP. The new VOIP environment must be centrally hosted and provide high availability and failover capabilities.

### ***Post Project Support Requirements***

In order to ensure the solution is stable and adequately supported post the project completion a support contract should be included.

The support must include:

1. 24/7 Service Desk for single point of contact and escalations
2. Support must be available locally in KZN
3. Provisioning of 2<sup>nd</sup> and 3<sup>rd</sup> level technical system support

The service provider must furnish the Municipality with costs for:

| DESCRIPTION                           | COST |
|---------------------------------------|------|
| 1. Implementation Cost                |      |
| 1. Monthly Cost of solution           |      |
| 2. Hourly rate for adhoc support work |      |
| 3. Travel costs for onsite requests   |      |

#### 4. CONDITIONS OF THE CONTRACT/ PROJECT DURATION

- The service provider must provide a 1 year onsite hardware/software support and maintenance and warranty
- The service provider must enter into a Service Level Agreement with the municipality.
- The service provider must be in a position to provide any other software/hardware upgrades
- Where additional software/hardware is sought, the prices must be market related
- The service provider must adhere to the municipal systems and be in line with Municipal IT Policy

#### 5. EVALUATION CRITERIA

| Criteria                                                                                                                                                                                                        | Basis of allocation                                                         | Point allocation | Verification Method                                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|------------------|-----------------------------------------------------------------|
| <b>The Bidder must have experience in supplying, installing, commissioning and Managing of Hosted PBX telephone Management solutions and must have implemented with MPLS line (with data and real-time QoS)</b> | 5 points per attached relevant reference letter and completion certificates | 20               | Attach signed reference for experience with contacts.           |
|                                                                                                                                                                                                                 | 5 points per attached relevant appointment letters                          | 30               | Attach signed appointment letters for experience with contacts. |



|                                                                                                                                                          |                                                                                                                                                                                                     |    |                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|------------------------------------------|
| <b>The Bidder must provide proof of ICASA Certifications for providing electronic communications infrastructure</b>                                      | A valid ICASA issued certificates (ECNS & IECS) to be provided AND/OR proof of valid membership of the Internet Service Provider Association of South Africa (ISPA), which must be in good standing | 20 | Attach certified copy                    |
| <b>Experience of lead technician in the experience in supplying, installing, commissioning and Managing of Hosted PBX telephone Management solutions</b> | 2-4 Years                                                                                                                                                                                           | 10 | Attach a detailed CV                     |
|                                                                                                                                                          | 5+                                                                                                                                                                                                  | 15 |                                          |
| <b>Qualification of lead technician</b>                                                                                                                  | Certification for CCNA routing and switching .                                                                                                                                                      | 5  | Attach a certified copy of qualification |
|                                                                                                                                                          | VOIP Certification and any Certification in network monitoring and Management.                                                                                                                      | 5  |                                          |
|                                                                                                                                                          |                                                                                                                                                                                                     |    |                                          |
| <b>Methodology</b>                                                                                                                                       | There is clear proposed plan of action provided and it is clearly linked to the timeframes                                                                                                          | 10 | Attached a detailed methodology          |
|                                                                                                                                                          | The proposed plan of action has been fairly linked to the timeframes                                                                                                                                | 5  |                                          |
|                                                                                                                                                          | No proposed plan of action, linked to the timeframes and budget has been provided                                                                                                                   | 0  |                                          |

**Failure to submit the above-mentioned documents (the appointment letters and reference letters), the bidder will be disqualified.**

**IN EVALUATING THE TECHNICAL INFORMATION CONTAINED IN THE BID, THE EVALUATION COMMITTEE WILL BE GUIDED BY THE FOLLOWING:**

- **Bidder's understanding of the brief** – The bid provides a clear indication that the bidder fully understands the purpose and scope of the work and the bidders' own roles and functions in this regard.
- **Track Record** – The bid provides clear information on previous, relevant projects that confirm that the bidder has the required experience and success track record in the area of general project management.

|                                                                                 |                  |
|---------------------------------------------------------------------------------|------------------|
| <b>Therefore minimum functionality score to qualify for further evaluation:</b> | <b>60 Points</b> |
|---------------------------------------------------------------------------------|------------------|

**Stage 2**

The Evaluation Criteria shall be as per the Supply Chain Management Policy of Ubuhlebezwe Municipality. Evaluation points will be allocated as follows:

- 80 points for price
- 20 points for BBEE

**6. PROPOSAL**

Appointment will be made in terms of the Ubuhlebezwe Council's Procurement Policy.

**7. NON-APPOINTMENT**

The Ubuhlebezwe Locality Municipality reserves the right not to make an appointment should it find that bidding parties do not meet the specified criteria.

**8. GENERAL**

- Awarding of the proposal will be subject to the Service Provider's express acceptance of the Ubuhlebezwe Municipality Supply Chain Management general contract conditions.
- The Service Provider will sign a Service Level Municipality (SLA) with Ubuhlebezwe Municipality upon appointment.
- Staffing requirements will be confirmed during project initiation and shall remain unchanged for the duration of the project, unless prior written consent has been granted by the Steering Committee.
- All secretarial services such as arranging meetings, setting of agendas and minutes taking shall be the responsibility of the Service Provider
- No material or information derived from the provision of the services under the contract may be used for any other purposes except where duly authorized to do so in writing by the Ubuhlebezwe Municipality.
- The successful Service Provider agrees to keep all records and information of, or related to the project confidential and not discloses such records or information to any third party without the prior written consent of Ubuhlebezwe Local Municipality.

- Ubuhlebezwe Local Municipality reserves the right to terminate the contract in the event that there is clear evidence of non-performance and non-compliance with the contract.

## **9. ACCEPTANCE AND OFFER:**

Tender offers will only be accepted on condition that:

- a) The tender offer is signed by a person authorized to sign on behalf of the Tenderer
- b) A Tenderer who submitted tenders as joint venture has included an acceptable Joint Venture Agreement with his tender.
- c) The Tenderer or any of its principals, directors or managers is not employed by the state or any municipality.
- d) A valid tax clearance certificate is included with this tender or tax compliance status with the pin.
- e) In case of a bidder owning a property , they must provide a municipal statement confirming status of municipal accounts not older than 3 months ( Bidders must not be in arrears for more than 90 days)
- f) In case of a bidder leasing the property, they must attach a lease agreement & letter from landlord stating that rent is up to date
- g) In case of the bidder operating in an area that doesn't pay rates, they must attach a sworn affidavit stating that rates are not paid in that area
- h) The Tenderer or any of its principles is not listed on the register of Tender Defaulters in terms of the Prevention and Combating of Corrupt Activities Act of 2004 as a person prohibited from doing business with public sector.
- i) The tenderer has not abused the Employers' Supply Chain Management System or has failed to perform on any previous contract and has been given a written notice to this effect; and
- j) The Employer is satisfied that the Tenderer or any of his principles has not influenced the tender offer and acceptance by the following criteria:
  - Having offered, or promised or given a bribe or other gift remuneration to any person in connection with the obtaining or execution of this Contract.
  - Having acted in fraudulent or corrupt manner in obtaining or executing of this contract.
  - Having approached an officer or employee of the Employer or the Employers' Agent with the objective of influencing the award of a Contract in the Tenders' favour
  - Having entered into any agreement or arrangement, whether legally binding or not, with any other person, firm or company to refrain from Tendering for this Contract or as to the amount of the Tender to be submitted by either party; and
  - Having disclosed to any other person, firm or company other than the Employer, the exact or approximate amount of his proposed Tender.

In the event of any of the above, the Municipality may, in addition to using any other legal remedies, repudiate the Tender offer and acceptance and declare the Contract invalid should it have been concluded already.

h) The Ubuhlebezwe Municipal Supply Chain Management Policy shall apply;

**FAILURE TO COMPLY WITH THE ABOVE CONDITIONS IN ALL RESPECTS WILL RESULT IN THE TENDER BEING DEEMED NON-RESPONSIVE**

## 10. LIST OF RETURNABLE DOCUMENTS

The following valid information is required in the submission and will form part of the evaluation considerations:

- Quotation/ proposal must be on a company letterhead.
- Tax compliance status with verification pin.
- Proof of company registration
- Valid BBEE certificate- **BBEE Certificate bearing a SANAS LOGO or an auditor's or accountant's practise number (if your certificate does not have these, it will be regarded as invalid) or a sworn affidavit**
- In case of a bidder owning a property, they must provide a municipal statement confirming status of municipal accounts not older than 3 months (Bidders must not be in arrears for more than 90 days)
- In case of a bidder leasing the property, they must attach a lease agreement & letter from landlord stating that rent is up to date
- In case of the bidder operating in an area that doesn't pay rates, they must attach a sworn affidavit stating that rates are not paid in that area
- Bids submitted are to hold good for a period of 90 (ninety) days and must be inclusive of VAT,
- This Bid will be evaluated in terms of the 80/20 preference point system as prescribed in the Preferential Procurement Policy Framework Act (No 5 of 2000) and for this purpose the enclosed forms MBD 4, MBD 6.1, MBD 8 & MBD 9 must be scrutinized, completed and submitted together with your Bid.
- **NB: No Bid will be considered from persons in the service of the state.**
- The council does not bind itself to accept the lowest or any Bid and reserves the right to accept the Bid as whole or in part, at the rates quoted
- Failure to comply with the above-mentioned conditions may invalidate your offer.  
If the price offered by tenderer is not market related, the municipality may not award the contract to that tenderer and may negotiate for market related price with the tenderer, failing which negotiate with the next highest scoring tenderer or the tender may be cancelled.

## 11. DOCUMENTATION

The proposal document submitted must include all the information deemed necessary to evaluate your submission on the bases stipulated in this document. **The additional forms appended to this document must also be included in the submission.**

This document may be detached and re-bound to ensure neatness and to also avoid the risk of accidentally losing of loose sheets. In the process of doing that, please be careful not to lose any of the pages of this document because should that be the case, your proposal may be regarded as incomplete.

**FORM A:**

**KEY PERSONNEL**

Bidder's shall enter in the table below information in respect of the key personnel who will be engaged on the project. Abbreviated Curricula Vitae which specifically address the questions posed in the Point Scoring Check for Functionality, including the relevant certificates, to support the stated information must be included in the TENDER together with this form.

| <b>Designation</b> | <b>Name</b> | <b>Qualification</b> | <b>Relevant Experience</b> |
|--------------------|-------------|----------------------|----------------------------|
|                    |             |                      |                            |
|                    |             |                      |                            |
|                    |             |                      |                            |
|                    |             |                      |                            |
|                    |             |                      |                            |
|                    |             |                      |                            |
|                    |             |                      |                            |
|                    |             |                      |                            |
|                    |             |                      |                            |

**FORM B**  
**RELEVANT EXPERIENCE**

The Bidder shall enter in the spaces provided below a list of relevant recent experience in experience in supplying, installing, commissioning and Managing of Hosted PBX telephone Management solutions

| Employer<br>(Name, Tel. No.<br>or Fax No.) | Details of Project (Attach ref letters) | Value of Work<br>(fees) | Year |
|--------------------------------------------|-----------------------------------------|-------------------------|------|
|                                            |                                         |                         |      |
|                                            |                                         |                         |      |
|                                            |                                         |                         |      |
|                                            |                                         |                         |      |
|                                            |                                         |                         |      |

# RETURNABLE DOCUMENTS



## **DETAILED CSD REPORT**

- **IN CASE OF A BIDDER OWNING A PROPERTY, THEY MUST PROVIDE A MUNICIPAL STATEMENT CONFIRMING STATUS OF MUNICIPAL ACCOUNTS NOT OLDER THAN 3 MONTHS (BIDDERS MUST NOT BE IN AREARS FOR MORE THAN 3 MONTHS. (BIDDER MUST NOT BE IN AREARS FOR MORE THAN 90 DAYS)**
  
- **IN CASE OF A BIDDER LEASING THE PROPERTY,THEY MUST ATTACH A LEASE AGREEMENT AND LETTER FROM LANDLORD STATING THAT RENT IS UP TO DATE- LETTER MUST NOT BE OLDER THAN 3 MONTHS**
  
- **IN CASE OF THE BIDDER OPERATING IN RURAL AREAS AND THEY DON'T PAY FOR MUNICIPAL SERVICES, THEY MUST ATTACH A SWORN AFFIDAVIT STATING THAT RATES ARE NOT PAID IN THAT AREA- AFFIDAVIT MUST NOT BE OLDER THAN 3 MONTHS**

## **CERTIFIED BBBEE CERTIFICATE/ SWORN AFFIDAVIT**

## **PROOF OF COMPANY REGISTRATION DOCUMENTS**

## **TAX CLEARANCE CERTIFICATE & VERIFICATION PIN**

**DETAILED PRICE QUOTATION  
(FAILURE TO ATTACH A DETAILED PRICE QUOTATION  
WILL RENDER YOUR TENDER NON-RESPONSIVE)**

## **DETAILED CV OF PROJECT LEADER**



**CERTIFIED COPY OF QUALIFICATION FOR PROJECT  
LEADER**

## **COPIES OF APPOINTMENT LETTERS**

## **COPIES OF REFERENCE LETTERS**

**DETAILED PRICE QUOTATION  
(FAILURE TO ATTACH A DETAILED PRICE QUOTATION  
WILL RENDER YOUR TENDER NON-RESPONSIVE)**

## **MBD FORMS**

## MBD 4

### DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state<sup>1</sup>.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.
- 3 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

3.1 Full Name of bidder or his or her representative:.....

3.2 Identity Number: .....

3.3 Position occupied in the Company (director, trustee, shareholder<sup>2</sup>):.....

3.4 Company Registration Number: .....

a. Tax Reference  
Number:.....

3.6 VAT Registration Number: .....

3.7 The names of all directors / trustees / shareholders members, their individual identity  
Numbers and state employee numbers must be indicated in paragraph 4 below.

3.8 Are you presently in the service of the state? **YES / NO**

3.8.1 If yes, furnish particulars.....

.....

<sup>1</sup>MSCM Regulations: “in the service of the state” means to be –

(a) a member of –

- (i) any municipal council;
- (ii) any provincial legislature; or
- (iii) the national Assembly or the national Council of provinces;

(b) a member of the board of directors of any municipal entity;

(c) an official of any municipality or municipal entity;

(d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);

- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature.

<sup>2</sup> Shareholder” means a person who owns shares in the company and is actively involved in the management of the company or business and exercises control over the company.

3.9 Have you been in the service of the state for the past twelve months? ..... **YES / NO**

3.9.1 If yes furnish particulars .....

.....

3.10 Do you have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid?..... **YES / NO**

3.10.1 If yes, furnish particulars.

.....

.....

3.11 Are you, aware of any relationship (family, friend, other) between any other bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

3.11.1 If yes, furnish particulars

.....

.....

3.12 Are any of the company’s directors, trustees, managers, Principleshareholders or stakeholders in service of the state? **YES / NO**

3.12.1 If yes, furnish particulars.

.....

.....

3.13 Are any spouse, child or parent of the company’s directors trustees, managers, principle shareholders or stakeholders in service of the state? **YES / NO**

3.13.1 If yes, furnish particulars.

.....

.....

3.14 Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract. **YES / NO**



3.14.1 If yes, furnish particulars:

.....  
.....

- 4. Full details of directors / trustees / members / shareholders.

| Full Name | Identity Number | State Employee Number |
|-----------|-----------------|-----------------------|
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |

.....

**Signature**

**Date**

.....

**Capacity Name of Bidder**

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

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

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

### 1. GENERAL CONDITIONS

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

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

1.2

- a) The value of this bid is estimated to **not exceed** R50 000 000 (all applicable taxes included) and therefore the .....80/20..... preference point system shall be applicable; or
- b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (*delete whichever is not applicable for this tender*).

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     |
|----------------------------------------------------------|------------|
| <b>PRICE</b>                                             | 80         |
| <b>B-BBEE STATUS LEVEL OF CONTRIBUTOR</b>                | 20         |
| <b>Total points for Price and B-BBEE must not exceed</b> | <b>100</b> |

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.**

- (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

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

$$P_S = 80 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right) \quad \text{or} \quad P_S = 90 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

$P_{min}$  = 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 | <input type="checkbox"/> | NO | <input type="checkbox"/> |
|-----|--------------------------|----|--------------------------|

- 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 | <input type="checkbox"/> | NO | <input type="checkbox"/> |
|-----|--------------------------|----|--------------------------|

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<br>√ | QSE<br>√ |
|-------------------------------------------------------------------|----------|----------|
| 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                            |          |          |
| <b>OR</b>                                                         |          |          |
| 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 MUNICIPAL INFORMATION**

**Municipality** \_\_\_\_\_ **where** \_\_\_\_\_ **business** \_\_\_\_\_ **is** \_\_\_\_\_ **situated:**  
.....

**Registered Account Number:** .....

**Stand Number:**.....

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

8.9 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 .....

# 1 DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 2 This Municipal Bidding Document must form part of all bids invited.
- 3 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 4 The bid of any bidder may be rejected if that bidder, or any of its directors have:
- a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
  - b. been convicted for fraud or corruption during the past five years;
  - c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
  - d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 5 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

| Item  | Question                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Yes                             | No                             |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|--------------------------------|
| 4.1   | Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?<br><br>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).<br><br><b>The Database of Restricted Suppliers now resides on the National Treasury's website(<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</b> | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.1.1 | If so, furnish particulars:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                 |                                |
| 4.2   | Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?<br><br><b>The Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b>                                                                                                                                                                                                                                                                           | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.2.1 | If so, furnish particulars:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                 |                                |

|             |                                                                                                                                                                                                                                        |                                 |                                |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|--------------------------------|
| 4.3         | Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?                                                 | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.3.1       | If so, furnish particulars:                                                                                                                                                                                                            |                                 |                                |
| <b>Item</b> | <b>Question</b>                                                                                                                                                                                                                        | <b>Yes</b>                      | <b>No</b>                      |
| 4.4         | Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months? | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.4.1       | If so, furnish particulars:                                                                                                                                                                                                            |                                 |                                |
| 4.5         | Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?                         | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.7.1       | If so, furnish particulars:                                                                                                                                                                                                            |                                 |                                |

### CERTIFICATION

**I, THE UNDERSIGNED (FULL NAME) .....  
CERTIFY THAT THE INFORMATION FURNISHED ON THIS  
DECLARATION FORM TRUE AND CORRECT.**

**I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT,  
ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION  
PROVE TO BE FALSE.**

.....  
**Signature**

.....  
**Date**

.....  
**Position**

.....  
**Name of Bidder**



## **CERTIFICATE OF INDEPENDENT BID DETERMINATION**

- 1 This Municipal Bidding Document (MBD) must form part of all bids<sup>1</sup> invited.
  
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).<sup>2</sup> Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
  
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
  - a. take all reasonable steps to prevent such abuse;
  - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
  - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
  
- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
  
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids and proposals.

<sup>2</sup> Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

\_\_\_\_\_

—

(Bid Number and Description)

in response to the invitation for the bid made by:

\_\_\_\_\_

(Name of Municipality / Municipal Entity)

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf

of: \_\_\_\_\_ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:

(a) has been requested to submit a bid in response to this bid invitation;

(b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and

(c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
  - (a) prices;
  - (b) geographical area where product or service will be rendered (market allocation)
  - (c) methods, factors or formulas used to calculate prices;
  - (d) the intention or decision to submit or not to submit, a bid;
  - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
  - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. 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.

<sup>3</sup> Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

10. 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.

.....  
**Signature**

.....  
**Date**

.....  
**Position**

.....  
**Name of Bidder**

# **General Conditions of Contract**

# **THE NATIONAL TREASURY**

**Republic of South Africa**



---

**GOVERNMENT PROCUREMENT:**

**GENERAL CONDITIONS OF CONTRACT**

**July 2010**

# **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 bids and 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:

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

“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.

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

“Corrupt practice” means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.

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

“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.

“Day” means calendar day.

“Delivery” means delivery in compliance of the conditions of the contractor order.

“Delivery ex stock” means immediate delivery directly from stock actually on hand.

“Delivery into consignee 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 contractor order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.

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

RSA.

”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.

“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 an artificial non-competitive level and to deprive the bidder of the benefit of free and open competition.

“GCC” means the General Conditions of Contract.

“Goods” means all of the equipment, machinery, and/or other material that the supplier is required to supply to the purchaser under the contract.

“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.

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

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

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

“Project site,” where applicable, means the place indicated in bidding documents.

“Purchaser” means the organization purchasing the goods.

“Republic” means the Republic of South Africa.

“SCC” means the Special Conditions of Contract.

“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 others such

obligations of the supplier covered under the contract.

“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.

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

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

## **3. General**

3.1

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

3.2

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

## **4. Standards**

4.1

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

## **5. Use of contract documents and information; inspection.**

The suppliers 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.

The suppliers 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.

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.

The suppliers 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**

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 amounts specified in SCC.

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.

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

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**

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

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.

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.

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.

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.

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.

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. Failure of such removal of rejected supplies shall be returned at the supplier's 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.

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 suppliers 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 weight 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**

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.

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 manners specified in the SCC.

## **12. Transportation**

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

## **13. Incident al services**

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.

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.

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.

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

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

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

ake

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.

The suppliers 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.

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.

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**

No variation in or modification of the terms of the contract shall be made except by written amendments signed by the parties concerned.

**19. Assignment**

19.1

The suppliers shall not assign, in whole or in part, its obligation to perform under the contract, except with the purchaser's prior written consent.

**20. Subcontracts**

20.1

The suppliers shall notify the purchaser in writing of all subcontracts awarded under this contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

**21. Delays in the supplier's performance**

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.

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 suppliers 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 extensions shall be ratified by the parties by amendment of contract.

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.

The right is reserved to procure outside of the contract small quantities or to have



emi  
nore  
ssen  
tials  
ervi  
cese  
xecu  
tedif  
ane  
mer  
genc  
yaris  
es,th  
e

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.

Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligation 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.

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**

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.

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.

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.

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 restrictions 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.

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.

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.

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**

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 amounts 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**

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.

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**

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**

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.

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.

Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

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 to the supplier.

**28. Limitation of liability**

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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>29. Governing language</b>                  | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>30. Applicable law</b>                      | The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>31. Notices</b>                             | <p>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 postings shall be deemed to be proper service of such notice</p> <p>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.</p>                                                                                                                                                                                                        |
| <b>32. Taxes and duties</b>                    | <p>A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and others such levies imposed outside the purchaser's country.</p> <p>A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.</p> <p>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.</p>                                                                                                    |
| <b>33. National Industrial Participation</b>   | <p>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.</p> <p><b>(NIP) Programme</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>34 Prohibition of Restrictive practices</b> | <p>Interms 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).</p> <p>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.</p> |

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.