

## PART A INVITATION TO BID

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES</b>					
BID NUMBER:	DCDT/07/2021/22	CLOSING DATE:	14 OCTOBER 2021	CLOSING TIME:	11:00
DESCRIPTION	PROCUREMENT OF THE INTERNAL AUDIT CAPACITY: SERVICE PROVIDER TO PROVIDE IT INTERNAL AUDIT SERVICES FOR A PERIOD OF 6 MONTHS				
<b>BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)</b>					
DEPARTMENT OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES, 1166 PARK STREET, IPARIOLLI OFFICE PARK, HATFIELD, PRETORIA					
BID BOX SITUATED AT BLOCK E, GROUND FLOOR					
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO</b>			<b>TECHNICAL ENQUIRIES MAY BE DIRECTED TO:</b>		
CONTACT PERSON	Ms. R Hlahla		CONTACT PERSON	Ms. J Radebe	
TELEPHONE NUMBER	012 427 8029		TELEPHONE NUMBER	012 427 8071	
FACSIMILE NUMBER	N/A		FACSIMILE NUMBER	N/A	
E-MAIL ADDRESS	dcdttenders@dtps.gov.za		E-MAIL ADDRESS	dcdttenders@dtps.gov.za	
<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					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No	
<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 [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW ]	
<b>QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
DOES THE ENTITY HAVE A BRANCH IN THE RSA?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.					

**PART B  
TERMS AND CONDITIONS FOR BIDDING**

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

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

SIGNATURE OF BIDDER: .....

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

DATE: .....

## TAX CLEARANCE CERTIFICATE REQUIREMENTS

**It is a condition of bid that the taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.**

- 1 In order to meet this requirement bidders are required to complete in full the attached form TCC 001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.
- 2 SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
- 3 The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.
- 4 In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.
- 5 Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website [www.sars.gov.za](http://www.sars.gov.za).
- 6 Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website [www.sars.gov.za](http://www.sars.gov.za).



### Application for a Tax Clearance Certificate

#### Purpose

Select the applicable option ..... Tenders  Good standing

If "Good standing", please state the purpose of this application

Empty text box for purpose of application

#### Particulars of applicant

Name/Legal name (Initials & Surname or registered name)

Trading name (if applicable)

ID/Passport no Company/Close Corp. registered no

Income Tax ref no PAYE ref no 7

VAT registration no 4 SDL ref no L

Customs code UIF ref no U

Telephone no Fax no

E-mail address

Physical address

Postal address

#### Particulars of representative (Public Officer/Trustee/Partner)

Surname

First names

ID/Passport no Income Tax ref no

Telephone no Fax no

E-mail address

Physical address

**Particulars of tender** (If applicable)

Tender number

Estimated Tender amount R ,

Expected duration of the tender  year(s)

Particulars of the 3 largest contracts previously awarded

Date started	Date finalised	Principal	Contact person	Telephone number	Amount

**Audit**

Are you currently aware of any Audit investigation against you/the company? ..... YES NO  
 If "YES" provide details

**Appointment of representative/agent (Power of Attorney)**

I the undersigned confirm that I require a Tax Clearance Certificate in respect of  or .

I hereby authorise and instruct  to apply to and receive from SARS the applicable Tax Clearance Certificate on my/our behalf.

--

Signature of representative/agent Date

Name of representative/agent

**Declaration**

I declare that the Information furnished in this application as well as any supporting documents is true and correct in every respect.

--

Signature of applicant/Public Officer Date

Name of applicant/Public Officer

**Notes:**

- It is a serious offence to make a false declaration.
- Section 75 of the Income Tax Act, 1962, states: Any person who
  - fails or neglects to furnish, file or submit any return or document as and when required by or under this Act; or
  - without just cause shown by him, refuses or neglects to-
    - furnish, produce or make available any information, documents or things;
    - reply to or answer truly and fully, any questions put to him ...
 As and when required in terms of this Act ... shall be guilty of an offence ...
- SARS will, under no circumstances, issue a Tax Clearance Certificate unless this form is completed in full.**
- Your Tax Clearance Certificate will only be issued on presentation of your South African Identity Document or Passport (Foreigners only) as applicable.

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

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

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

Name of bidder.....	Bid number: <b>DCDT/07/2021/22</b> .....
Closing Time <b>11:00</b>	Closing date: <b>14 OCTOBER 2021</b> .....

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

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

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

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

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

\*Delete if not applicable

## DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state<sup>1</sup>, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

- the bidder is employed by the state; and/or
- the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

2. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

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

2.2 Identity Number: .....

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

2.4 Company Registration Number: .....

2.5 Tax Reference Number: .....

2.6 VAT Registration Number: .....

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / persal numbers must be indicated in paragraph 3 below.

<sup>1</sup>"State" means –

- (a) 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);
- (b) any municipality or municipal entity;
- (c) provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

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

2.7 Are you or any person connected with the bidder presently employed by the state? **YES / NO**

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member: .....  
Name of state institution at which you or the person connected to the bidder is employed : .....  
Position occupied in the state institution: .....

Any other particulars:  
.....  
.....  
.....

2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector? **YES / NO**

2.7.2.1 If yes, did you attached proof of such authority to the bid document? **YES / NO**

(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.

2.7.2.2 If no, furnish reasons for non-submission of such proof:

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

2.8 Did you or your spouse, or any of the company's directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months? **YES / NO**

2.8.1 If so, furnish particulars:

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

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid? **YES / NO**





**4 DECLARATION**

I, THE UNDERSIGNED (NAME).....

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT. I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of bidder

May 2011

**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) 80/20 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.



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 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 least 51% owned by:	EME √	QSE √
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		

Black people who are military veterans		
<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 Total number of years the company/firm has been in business:.....

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a

fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –

- (a) disqualify the person from the bidding process;
- (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
- (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
- (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution.

<p>WITNESSES</p> <p>1. ....</p> <p>2. ....</p>
--

<p>..... SIGNATURE(S) OF BIDDERS(S)</p> <p>DATE: .....</p> <p>ADDRESS .....</p> <p>.....</p> <p>.....</p>
---

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

- 1 This Standard Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by institutions 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.
- 3 The bid of any bidder may be disregarded if that bidder, or any of its directors have-
  - a. abused the institution's supply chain management system;
  - b. committed fraud or any other improper conduct in relation to such system; or
  - c. failed to perform on any previous contract.
- 4 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 as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the <i>audi alteram partem</i> rule was applied).	Yes <input type="checkbox"/>	No <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)? To access this Register enter the National Treasury's website, <a href="http://www.treasury.gov.za">www.treasury.gov.za</a> , click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 3265445.	Yes <input type="checkbox"/>	No <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 outside of the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
4.4	Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		



**CERTIFICATION**

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

Js365bW

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

- 1 This Standard Bidding Document (SBD) 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 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
  - a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
  - b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
- 4 This SBD 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 (SBD 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 Institution)

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**

Js914w 2



communications  
& digital technologies

Department:  
Communications & Digital Technologies  
REPUBLIC OF SOUTH AFRICA

---

## TERMS OF REFERENCE

FOR

**PROCUREMENT OF THE INTERNAL AUDIT CAPACITY: SERVICE PROVIDER TO PROVIDE IT  
INTERNAL AUDIT SERVICES FOR A PERIOD OF 6 MONTHS**

A handwritten signature in black ink, appearing to be 'JK'.

## 1. BACKGROUND

- 1.1. The Chief Directorate: Internal Audit requires a service provider to provide IT Internal Audit Services for a period of six (6) months. The Service Provider will be allocated specific IT Internal Audit Engagements in order to enhance the risks coverage for the Department.
- 1.2. The International Standards for the Professional Practice of Internal Auditing (ISPPIA) (standard 1300) – **Quality Assurance and Improvement Program** *“The chief audit executive must develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity”*. The Service Provider’s Senior IT Internal Audit Manager will play a critical role in ensuring adherence to this standard, quality of internal audit outputs/reports is dependent on the effective implementation of *ongoing monitoring; which is an integral part of the day-to-day supervision, review, and measurement of the internal audit activity.*
- 1.3. The International Standards for the Professional Practice of Internal Audit (ISPPIA), as issued by the Institute of Internal Auditors (IIA), provides for internal audit engagements to be performed with proficiency and due professional care; and the following Standards states that:
  - 1.3.1. “Internal auditors must have sufficient knowledge of key information technology risks and controls and available technology-based audit techniques to perform their assigned work. However, not all internal auditors are expected to have the expertise of an internal auditor whose primary responsibility is information technology auditing” [1210.A3].
  - 1.3.2. “The chief audit executive must obtain competent advice and assistance if the internal auditors lack the knowledge, skills, or other competencies needed to perform all or part of the engagement” [1210.A1].

## 2. PURPOSE

- 2.1 To request proposals from the Service Providers to provide IT Internal Audit Services for a period of six (6) months. The appointed Service Provider will be allocated specific Internal Audit Engagements as indicated below, in order to enhance the risks coverage for the Department.

## 3. OBJECTIVES

- 3.1 To execute and manage the delivery of allocated IT Internal Audit Engagements for the six months’ period and ensure compliance to the International Standards for the Professional Practice of Internal Auditing prescribed by the Institute of Internal Auditing (IIA), International Information Systems Audit Standards prescribed by the Information

Systems Audit and Control Association (ISACA), Public Finance Management Act (PFMA) and Treasury Regulations (TR).

#### 4. THE SCOPE OF WORK

The scope of the engagement is to execute the allocated IT Internal Audit Engagements responsible for:

##### 4.1 The entire Quality Assurance of the IT Internal Audit Engagements ensuring that the outputs are delivered in line with the International Standards for Professional Practice of Internal Audit and International Information Systems Audit Standards:

- Ensuring effective implementation of ongoing monitoring as a component of the Quality Assurance and Improvement Program. Specifically ensuring sign-off of engagement milestones are adhered to, and team coaching is optimal.
- Facilitating the process of Client's Assessment of Service Quality, immediately after issuing the Final Engagement Internal Audit Report.
- Reviewing results of client's Assessment of Service Quality (ASQ) and report to the CAE.
- Ensuring that working papers are well documented and meeting the required standards across the Internal Audit Engagements.
- Confirming that the quality assurance checklist is completed and ensure that it is an accurate reflection of the status of the work performed and working paper file.
- Ensuring declaration of independence and report any interference with independence during engagement execution to the Chief Audit Executive (CAE).

##### 4.2 Conducting Engagement Planning:

- ✓ Pre – Engagement Planning – issue the client notification letter; convening the team briefing meeting and contact meeting with the client.
- ✓ Engagement Preliminary Assessment - optimize understanding of the environment and development of an audit approach addressing the risks root causes and consequences; based on the defined scope in the annual internal audit plan and result of the preliminary assessment.
- ✓ Engagement Objective Design – design engagement objectives aligned to control objectives taking into account specific risks root causes and consequences
  - Achievement of outputs and outcomes
  - Safeguarding of assets;
  - Reliability and Integrity of financial and operational information;
  - Compliance to laws, regulations, contracts, policies and procedures; and





- Effectiveness and efficiency of operations and programs.
- ✓ Engagement Resource Assignment and Alignment – ensure alignment of the required expertise in relation to the planned IT Internal Audit Engagements
- ✓ Engagement Objective and Scope of Work Confirmation –
  - Develop Engagement Letters and ensure that they accurately present the scope of engagements and audit approach informed by the risks, risks root causes, risk consequences, with its accompanying internal controls.
  - Convening the Engagement Scope Meeting to present the Engagement Letter
  - Facilitating the Engagement Letters sign-off by appropriate Management representatives.

#### **4.3 Engagement Execution Control Adequacy Assessment:**

- ✓ Develop the System Description; perform the system verification and confirmation – specifically for the internal controls that manages the risk root causes and consequences, ensure its logical flow and conduct a walk - through
- ✓ Engagement Work Program (EWP) – Control Adequacy Assessment
  - Design the Control Adequacy Assessment procedures
  - Perform the controls adequacy assessments, assessing that controls are appropriately designed to mitigate the relevant risks root causes and risks consequences aligned to the main risks, appropriately motivating the assessment on the EWP.
  - Document comprehensively findings where evaluation indicates that controls are inadequate and ensure conclusions are supported by qualitative evidence.
- ✓ Engagement Work Program – Design the Control Effectiveness Assessment Procedures
- ✓ Engagement Work Program – Final Approval

#### **4.4 Engagement Execution Control Effectiveness Assessment**

- ✓ Sampling - Determining the relevant sampling approach and conducting sampling in line with the DCDT Internal Audit Methodology and leading practice
- ✓ Procedures Execution - Perform the control effectiveness procedures
- ✓ Draft Internal Audit Report – develop the findings, ensure that they are supported by qualitative evidence (relevant, reliable, useful, and sufficient) and recommendations are based on appropriate evaluation of the root causes.

#### **4.5 Engagement Reporting:**

- ✓ Developing the draft internal audit reports and ensure adequacy of the root causes and alignment of the other elements (criteria, condition, effect and recommendation).
- ✓ Develop the Executive Summary taking into account the overall rating of the Internal Controls
- ✓ Facilitating the review of the draft internal audit reports by the Chief Audit Executive, prior to issuing to the Branch Management.
- ✓ Facilitating the finalization and discussion of the draft internal audit reports with the relevant Branch Management:
  - Convene the Engagement Closing Meeting with the Branch Management and ensure appropriate documentation of quality minutes
  - Present the overall engagement opinion, executive summary and detailed engagement findings
  - Ensure confirmation of root causes and provision of appropriate management comments and action plans.
  - Evaluate the action plans provided by Branch Management and ensure it addresses the risks, risks root causes, risks consequences and there is no duplication, adequate resources to implement action and reasonable timeframes
  - Discuss with the Branch Management the Assessment of Service Quality
- ✓ Facilitating the Final Internal Audit Reports sign-off by the Chief Audit Executive
- ✓ Facilitating the process of issuing the Final Internal Audit Reports as per distribution list and ensure its presentation to relevant governance structures.
- ✓ Facilitating risk acceptance certificate sign-off, where management has resolved to accept the risks.
- ✓ Conduct the overall quality assessment of the internal audit engagements

#### **4.6 Managing the delivery of the allocated Internal Audit Engagements:**

- Developing a project plan and appropriately scheduling the Engagements.
- Monitoring the progress on execution of the project plan, submit the weekly timesheet and report in the bi - monthly progress meetings.
- Quarterly and/or ad-hoc reporting to Executive Management and the Audit Committee.
- Liaison with the Auditor General during the execution of the allocated Internal Audit Engagements to manage duplication.

**4.7 The following are the Internal Audit Engagements that will be allocated to the Service Provider:**

The Service Provider will be required to provide the resources that are adequately skilled to execute the following Internal Audit Engagements, cognisant of the high-level documented scope of engagements. The Service Provider should provide a team consisting of the following:

- o 1 X Senior IT Internal Audit Manager,
- o 1 X IT Internal Audit Manager

**1. Digitization of the Department**

<b>Outcome:</b>	<b>High performing Portfolio to enable achievement of their respective mandates. (Fully implemented Integrated DCDT Digitisation Strategy.)</b>			
<b>Risks Description</b>	<b>Inherent</b>	<b>Residual</b>	<b>Appetite</b>	<b>Budgeted</b>
<b>Risk No. SR14</b>	Failure to digitise departmental business operations.	High	Low	Low
<b>HIGH LEVEL ENGAGEMENT SCOPE : ROOT CAUSES</b>				
<b>Root causes</b>	<b>Current Controls</b>	<b>Control Adequacy Assessment</b>	<b>Control Effectiveness Assessment</b>	<b>Budgeted Hrs</b>
1. Budgetary constraints.	<ul style="list-style-type: none"> <li>▪ Some budget has been allocated for infrastructure upgrade.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Evaluate the implementation of the management actions to enhance current control measures.</li> <li>▪ Provide assurance on the adequacy of the Budget to drive digitisation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide assurance that there is alignment between the prioritised digitisation and the allocated budget</li> </ul>	340

		(prioritisation of the activities to be digitised and budget alignment)	
2. Inadequate IT skills.	<ul style="list-style-type: none"> <li>▪ Re-skilling of existing employees for the implementation of Digital Transformation Program.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide assurance that adequate measures were design to ensure outline of skills requirements and adequate skills development programme.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide assurance on the effectiveness of the programmes to reskill existing employees.</li> </ul>
3. Inadequate system adoption (uptake, usage).	<ul style="list-style-type: none"> <li>▪ System implementation and Monitoring reports produced.</li> <li>▪ Change management interventions (Top management presentations, training and awareness conducted).</li> <li>▪ Business needs analysis conducted before a system is implemented.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide assurance that adequate criteria developed to monitor the system adoption rate.</li> <li>▪ Adequate change management programme. Driving system adoption rate</li> <li>▪ Adequate processes were designed to the define the systems required in line with business needs.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide assurance on the effectiveness of measures implemented to ensure adequate. system adoption and utilisation.</li> </ul>

4. Inadequate support from management.	<ul style="list-style-type: none"> <li>▪ Change management interventions (Top management presentations, training and awareness conducted).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide assurance that an adequate change management programme was design focusing on ensuring management support of the digitization programme.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide assurance on the effective implementation of the change management programme.</li> </ul>	
5. Undocumented business processes.	No current controls	<ul style="list-style-type: none"> <li>▪ Evaluate the implementation of the management actions to enhance current control measures.</li> </ul>		<b>HIGH LEVEL ENGAGEMENT SCOPE : CONSEQUENCES</b>
6. Delays in decision making processes.	<ul style="list-style-type: none"> <li>▪ E-submission and digital signatures are used to submit and approve work documents.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Evaluate the implementation of the management actions to enhance current control measures.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide assurance on the effectiveness of the decision making processes</li> </ul>	
7. Delays in service delivery.	<ul style="list-style-type: none"> <li>▪ Engagement platforms have been introduced that are used to ensure effective work engagements (MS Teams).</li> <li>▪ OPMS system is used to monitor performance and highlight challenges and improvement plans.</li> <li>▪ Quarterly performance reporting to the different governance structures to monitor Departmental performance.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide assurance on the adequacy of systems and its mechanism designed and implemented to enable service delivery through digitization.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide assurance on the effectiveness of the engagement platforms and OPMS system</li> <li>▪ Provide assurance on the effectiveness of the digitisation to enhancement of Department's performance</li> </ul>	

8. Poor Departmental performance.	<ul style="list-style-type: none"> <li>▪ Engagement platforms have been introduced that are used to ensure effective work engagements (MS Teams).</li> <li>▪ OPMS system is used to monitor performance and highlight challenges and improvement plans.</li> <li>▪ Quarterly performance reporting to the different governance structures to monitor Departmental performance.</li> </ul>			
-----------------------------------	---	--	--	--

2. Disruption of IT services; and

<b>Aligned Outcome:</b>	<b>High performing Portfolio to enable achievement of their respective mandates.</b>				
<b>Risks Description</b>		<b>Inherent</b>	<b>Residual</b>	<b>Appetite</b>	<b>Budgeted</b>
<b>Risk No.</b>	Disruption of IT services.	<b>High</b>	<b>Low</b>	<b>Minimum</b>	<b>Hrs</b>
<b>HIGH LEVEL ENGAGEMENT SCOPE : ROOT CAUSES</b>					
<b>Root causes</b>	<b>Current Controls</b>	<b>Control Adequacy Assessment</b>	<b>Control Effectiveness Assessment</b>	350	
1. WAN connectivity failure (single link that will not allow redundancy/failover/standby).	<ul style="list-style-type: none"> <li>Monitoring of the Service Level Agreement with SITA</li> </ul>	<ul style="list-style-type: none"> <li>Provide assurance on the design of the current IT controls to ensure management of the disruption of the IT Services.</li> </ul>	<ul style="list-style-type: none"> <li>Provide assurance on the effectiveness of the current IT controls to ensure management of the disruption of the IT Services.</li> </ul>		
2. Ageing IT infrastructure (LAN, Telephone, Server & Video Conferencing).	<ul style="list-style-type: none"> <li>Daily back-ups are stored offsite.</li> <li>Refreshing</li> </ul>				
3. Inadequate IT security controls.	<ul style="list-style-type: none"> <li>Vulnerability scanning system.</li> </ul>				
4. Poor security controls on the website.	<ul style="list-style-type: none"> <li>Secure Site (SSL Certificates).</li> <li>Implementation of approved Website standards.</li> </ul>				
5. Power failure.	<ul style="list-style-type: none"> <li>Back-up generator.</li> <li>Uninterrupted Power Supply (UPS).</li> </ul>				

6. Poor configuration of VPN.	<ul style="list-style-type: none"> <li>Testing access of IT Services through VPNra with different user group</li> </ul>			
<b>HIGH LEVEL ENGAGEMENT SCOPE : CONSEQUENCES</b>				
4. Inaccessibility of network resources.	<ul style="list-style-type: none"> <li>None.</li> </ul>	<ul style="list-style-type: none"> <li>Provide assurance on the design of the current IT controls to ensure management of the disruption of the IT Services.</li> </ul>	<ul style="list-style-type: none"> <li>Provide assurance on the effectiveness of the current IT controls to ensure management of the disruption of the IT Services.</li> </ul>	
5. Inability to recover IT services (data and servers).	<ul style="list-style-type: none"> <li>Daily back-ups are stored offsite.</li> </ul>			
6. Denial of service attack.	<ul style="list-style-type: none"> <li>Vulnerability scanning system.</li> </ul>			
7. Defacing of the Website.	<ul style="list-style-type: none"> <li>Secure Site (SSL Certificates).</li> <li>Implementation of approved Website standards.</li> </ul>			



3. Unauthorized access to IT systems

<b>Aligned Outcome:</b>	<b>High performing Portfolio to enable achievement of their respective mandates.</b>				
<b>Risks Description</b>		<b>Inherent</b>	<b>Residual</b>	<b>Appetite</b>	<b>Budgeted</b>
<b>Risk No.</b>	Unauthorised access to IT systems.	<b>High</b>	<b>Low</b>	<b>Minimum</b>	<b>Hrs</b>
<b>HIGH LEVEL ENGAGEMENT SCOPE: ROOT CAUSES</b>					
<b>Root causes</b>	<b>Current Controls</b>	<b>Control Adequacy Assessment</b>	<b>Control Effectiveness Assessment</b>	350	
1. Misconfigured system.	<ul style="list-style-type: none"> <li>External training for IT security officials;</li> </ul>	<ul style="list-style-type: none"> <li>Provide assurance on the design of the current IT controls to ensure management of the unauthorized access to IT systems</li> </ul>	<ul style="list-style-type: none"> <li>Provide assurance on the effectiveness of the current IT controls to ensure management of the unauthorized access to IT systems</li> </ul>		
2. Outdated security software.	<ul style="list-style-type: none"> <li>Threat and vulnerability management program.</li> <li>System patching/updates.</li> </ul>				
4. Poor password management by users.	<ul style="list-style-type: none"> <li>Information security awareness activities.</li> </ul>				
5. Inadequate monitoring of Admin activities.	<ul style="list-style-type: none"> <li>Independent Admin Activity Monitor</li> </ul>				
6. Non-compliance with existing IT security policies.	<ul style="list-style-type: none"> <li>Implementation of IT Security Policy.</li> <li>Information security awareness activities.</li> </ul>				

**HIGH LEVEL ENGAGEMENT SCOPE: CONSEQUENCES**

7. Intrusions from internal and external parties.	<ul style="list-style-type: none"> <li>▪ Threat and vulnerability management program.</li> <li>▪ Anti-virus, Anti spyware and firewalls.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide assurance on the design of the current IT controls to ensure management of the unauthorized access to IT systems.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide assurance on the effectiveness of the current IT controls to ensure management of the unauthorized access to IT systems.</li> </ul>	
8. Loss of data.	<ul style="list-style-type: none"> <li>▪ Implementation of system backup and restore controls.</li> </ul>			
9. Leakage of confidential information.	<ul style="list-style-type: none"> <li>▪ Implementation of IT Security Policy.</li> <li>▪ Information security awareness activities.</li> </ul>			
10.Unauthorised changes to system data.	<ul style="list-style-type: none"> <li>▪ De-activation of inactive users after 90 days</li> <li>▪ Authentication of User (Password and User Name)</li> <li>▪ Access to system granted in line with roles and responsibilities</li> </ul>			
11.Inability to enforce IT security controls.	<ul style="list-style-type: none"> <li>▪ Implementation of IT Security Policy.</li> <li>▪ Information security awareness activities.</li> </ul>			

## **5. DELIVERABLES**

- 5.1** The successful service provider will be required to deliver the following quality output and outcomes:
  - 5.1.1** Approved Engagement Letter; Engagement Work Programme and Audit Evidence in line with ISPPIA and IISAS.
  - 5.1.2** Final Internal Audit Reports which contains, executive summary with overall opinion, detailed engagement findings, qualitative root cause analysis and value adding recommendations, practical Integrated Management Action Plans.
- 5.2** Completion of the allocated internal audit engagements within set timeframes and allocated budgeted hours;
- 5.3** Effective Project Management and Client Engagement
- 5.4** Progress Reports;
- 5.5** Effective Internal Quality Assurance Programme - signed-off engagement files, ASQ completed and signed-off by Management, and key milestones sign-off and approvals; overall quality assurance of the internal audit engagements.

## **6. Management of Service Provider**

- 6.1** The DCDT Project Manager (CAE) will take full responsibility for managing the service provider's work and for ensuring delivery on the project.
- 6.2** The DCDT Project Manager (CAE) will confirm that the service provider has satisfactorily completed each deliverable before invoices can be submitted to Finance for payment.

## **7. TERMS AND CONDITIONS**

- 7.1** The service provider must be a single legal entity with all other necessary expertise secured via sub-contract, or under a joint venture arrangement.
- 7.2** The Department also reserves the right to appoint any other person to undertake any part of the task, should the contract between the Department and the service provider be terminated by either party due to reasons not attributable to the service provider. The service provider will be remunerated for the appropriate portion of work completed up to a maximum amount of not more than the total fee bid by the service provider for the appropriate phase of the project during which the appointment was terminated.

- 7.3 The individual proposed for professional work on the project shall remain on the project unless the Department grants permission to change the proposal. Such permission will only be granted in exceptional circumstances.
- 7.4 No material or information derived from the bid submission or the provision of the services under the contract may be used for any purposes other than those of the Department or its State Owned Entity (SOE), except where authorised in writing to do so. A disclosure agreement will be signed in this regard.
- 7.5 The costs of preparing proposals and negotiating the contract will not be reimbursed.
- 7.6 The Department is not bound to accept any of the proposals submitted and reserves the right to call for presentations from short-listed service providers before final selection.
- 7.7 Copyright of all documents and electronic aids, system programmes prepared or developed in terms of this appointment shall vest in the DCDT.
- 7.8 Foreign firms providing proposals must become familiar with local conditions and laws and take them into account in preparing their proposals.
- 7.9 The Department reserves the right to negotiate price with the preferred bidder.
- 7.10 Individuals and firms may not contact the Department on any matter pertaining to their bid from the time when bids are submitted to the time the contract is awarded. Any effort by a bidder to influence bid evaluation, bid comparisons or bid award decisions in any manner, may result in rejection of the bid concerned.
- 7.11 The recommended service provider will have to pass the security vetting exercise which is facilitated through State Security Agency.

## **8. BID MANDATORY REQUIREMENTS**

- 8.1 Prospective bidders must submit their bid proposals including the following:
- A project plan that indicates the task, project phases, time frames and outputs.
  - Total fixed price that is inclusive of all costs and applicable taxes (VAT) for the entire project.
  - An itemized or detailed breakdown of all costs quoted for each resource taking into account the Hours, Internal Audit Engagements and stipulated roles and responsibilities.
  - Curriculum Vitae of the Senior IT Internal Audit Manager and IT Internal Audit Manager assigned to the project, clearly stipulating their roles and responsibilities, clearly demonstrating the years of experience executing the roles and responsibilities.
  - Only propose 1 X Senior IT Internal Audit Manager with at least relevant qualification at

NQF level 7 in IT / IT Auditing and 5 years' experience at Senior Management level in IT Auditing.

- Only propose 1 X IT Internal Audit Manager with at least relevant qualification at NQF level 7 in IT / IT Auditing and 3 years' experience at Middle Management level in IT Auditing.
- Proof of qualification MUST be attached to the proposal.

**NB: Failure to meet any of the requirements will result in a disqualification.**

## 9. TIMEFRAMES

The project will run for a period of 6 months from contract signature date.

The validity period of bid and the withdrawal of offers, after the closing date and time is 90 days.

The project timeframes of this bid are set out below:

Activity	Due Date
Advertisement of bid on DCDT Website and e-portal	18 September 2021
Cutoff date for questions relating to bid from bidder(s)	04 October 2021
Bid closing date	14 October 2021 at 11:00
Notice to bidder(s)	DCDT will endeavor to inform bidders of the progress until conclusion of the bid. Questions from bidders will be answered as and when received individually, the consolidated list of questions and answers will be published on the DCDT website after the cutoff date for questions.

All dates and times in this bid are South African standard time.

Any time or date in this bid is subject to change at DCDT's discretion. The establishment of a time or date in this bid does not create an obligation on the part of DCDT to take any action or create any right in any way for any bidder to demand that any action be taken on the date established. The bidder accepts that, if DCDT extends the deadline for bid submission (the Closing Date) for any reason, the requirements of this bid otherwise apply equally to the extended deadline.

**10. BID EVALUATION CRITERIA**

**10.1** Phase I: Awarding of points on functionality to Bidders

**10.2** Bidders will be evaluated based on functionality, the minimum threshold for functionality is **60** out of 100. Bidders who fail to meet the minimum threshold will be disqualified and will not be evaluated further for price and preference points for Broad-Based Black Economic Empowerment (BBBEE).

**10.3** Service providers will be evaluated on the following evaluation criteria, weights and values:

CRITERIA	WEIGHTS	SCORING MODEL
<p>Relevant practical service provider's experience in conducting IT Audits,</p> <p>NB: Service provider must provide signed-off reference letters indicating the period, scope of the project and contactable reference.</p>	10	<p>Service provider that has provided the services for (years of experience of the Service Provider)</p> <ul style="list-style-type: none"> <li>• 0 to 2 years = 1</li> <li>• Above 2 to 4 years = 2</li> <li>• Above 4 to 6 years = 3</li> <li>• Above 6 to 9yrs &amp; 11 months = 4</li> <li>• Above 9yrs &amp; 11 months = 5</li> </ul>
<p>The Service Provider's resources experience: NB: <b>Service provider must provide Curriculum Vitae of the proposed resources.</b></p>		
<p><b>Service Providers resources experience to Manage Teams.</b></p>		
<ul style="list-style-type: none"> <li>• Senior IT Internal Audit Manager - Management of an Internal Audit Team.</li> </ul>	15	<p>Senior IT Internal Audit Manager must possess the experience, in the IT Audits.</p> <ul style="list-style-type: none"> <li>• 0 to 2 years (yrs) = 1</li> <li>• Above 2yrs to 4yrs &amp; 11months = 2</li> <li>• Above 4yrs &amp; 11 months to 6yrs = 3</li> <li>• Above 6yrs to 9yrs &amp; 11 months = 4</li> <li>• Above 9yrs &amp; 11 months = 5</li> </ul>

<ul style="list-style-type: none"> <li>IT Internal Audit Manager.</li> </ul>	15	<p>IT Internal Audit Manager must possess supervisory experience of IT Audit.</p> <ul style="list-style-type: none"> <li>0 to 1 year = 1</li> <li>Above 1yr to 2yrs &amp; 11 months = 2</li> <li>Above 2yrs &amp; 11 months to 4yrs = 3</li> <li>Above 4yrs to 7yrs &amp; 11 months = 4</li> <li>Above 7yrs &amp; 11 months = 5</li> </ul>
<b>Development of IT Internal Audit Plans</b>		
<ul style="list-style-type: none"> <li>Senior Internal Audit Manager - Manage the development of the Internal Audit Plans.</li> </ul>	5	<p>Senior IT Internal Audit Manager must possess the experience of managing development of IT Audit Plans.</p> <ul style="list-style-type: none"> <li>0 to 2 years (yrs) = 1</li> <li>Above 2yrs to 4yrs &amp; 11months = 2</li> <li>Above 4yrs &amp; 11 months to 6yrs = 3</li> <li>Above 6yrs to 9yrs &amp; 11 months = 4</li> <li>Above 9yrs &amp; 11 months = 5</li> </ul>
<ul style="list-style-type: none"> <li>IT Internal Audit Manager – Development of the Internal Audit Plans.</li> </ul>	5	<p>IT Internal Audit Manager must possess the experience of development of the IT Audit Plans</p> <ul style="list-style-type: none"> <li>0 to 1 year = 1</li> <li>Above 1yr to 2yrs &amp; 11 months = 2</li> <li>Above 2yrs &amp; 11 months to 4yrs = 3</li> <li>Above 4yrs to 7yrs &amp; 11months = 4</li> </ul>

		<ul style="list-style-type: none"> <li>Above 7yrs &amp; 11months = 5</li> </ul>
<b>Manage and execution of the IT Internal Audit Engagement from Detailed Planning to issuing of the final internal audit report</b>		
<ul style="list-style-type: none"> <li>Senior IT Internal Audit Manager - Manage the Internal Audit Engagement from Detailed Planning to issuing of the final internal audit report.</li> </ul>	15	<p>Senior IT Internal Audit Manager must possess IT Audit managerial experience.</p> <ul style="list-style-type: none"> <li>0 to 2 years (yrs) = 1</li> <li>Above 2yrs to 4yrs &amp; 11months = 2</li> <li>Above 4yrs &amp; 11 months to 6yrs = 3</li> <li>Above 6yrs to 9yrs &amp; 11months = 4</li> <li>Above 9yrs &amp; 11months = 5</li> </ul>
<ul style="list-style-type: none"> <li>IT Internal Audit Manager – Relevant IT Audit experience, execution of the IT Internal Audit Engagement from Detailed Planning to issuing of the final internal audit report.</li> </ul>	15	<p>IT Internal Audit Manager with the Relevant IT Audit experience of conducting an IT Audits.</p> <ul style="list-style-type: none"> <li>0 to 1 year = 1</li> <li>Above 1yr to 2yrs &amp; 11 months = 2</li> <li>Above 2yrs &amp; 11 months to 4yrs = 3</li> <li>Above 4yrs to 7yrs &amp; 11 months = 4</li> <li>Above 7yrs &amp; 11 months = 5</li> </ul>
<b>Project Management capability especially management of multiple complex project</b>		
<ul style="list-style-type: none"> <li>Senior IT Internal Audit Manager - Manage the delivery of multiple projects.</li> </ul>	5	<p>Senior IT Internal Audit Manager must possess the experience for managing projects.</p> <ul style="list-style-type: none"> <li>0 to 2 years (yrs) = 1</li> </ul>



		<ul style="list-style-type: none"> <li>• Above 2yrs to 4yrs &amp; 11months = 2</li> <li>• Above 4yrs &amp; 11 months to 6yrs = 3</li> <li>• Above 6yrs to 9yrs &amp; 11months = 4</li> <li>• Above 9yrs &amp; 11months = 5</li> </ul>
IT Internal Audit Manager - Manage the delivery of multiple projects.	5	<p>The IT Internal Audit Manager must possess the experience for managing projects.</p> <ul style="list-style-type: none"> <li>• 0 to 1 year = 1</li> <li>• Above 1yr to 2yrs &amp; 11 months = 2</li> <li>• Above 2yrs &amp; 11 months to 4yrs = 3</li> <li>• Above 4yrs to 7yrs &amp; 11 months = 4</li> <li>• Above 7yrs &amp; 11 months = 5</li> </ul>
<b>Development and Implementation of a Quality Assurance and Improvement Programme (QAIP)</b>		
<ul style="list-style-type: none"> <li>• Senior IT Internal Audit Manager – Manage the Development and Implementation of the QAIP.</li> </ul>	5	<p>The Senior IT Internal Audit Manager must possess the experience.</p> <ul style="list-style-type: none"> <li>• 0 to 2 years (yrs) = 1</li> <li>• Above 2yrs to 4yrs &amp; 11months = 2</li> <li>• Above 4yrs &amp; 11 months to 6yrs = 3</li> <li>• Above 6yrs to 9yrs &amp; 11months = 4</li> <li>• Above 9yrs &amp; 11months = 5</li> </ul>
<ul style="list-style-type: none"> <li>• IT Internal Audit Manager - Implementation of the QAIP.</li> </ul>	5	<p>IT Internal Audit Manager must possess the experience.</p> <ul style="list-style-type: none"> <li>• 0 to 1 year = 1</li> </ul>

		<ul style="list-style-type: none"> <li>• Above 1yr to 2yrs &amp; 11 months = 2</li> <li>• Above 2yrs &amp; 11 months to 4yrs = 3</li> <li>• Above 4yrs to 7yrs &amp; 11 months = 4</li> <li>• Above 7yrs &amp; 11 months = 5</li> </ul>
<b>TOTAL</b>	<b>100</b>	

Definitions 1 - poor, 2 - average, 3 - good, 4 - very good and 5 – excellent.

Phase II: Evaluation in terms of 80/20 preference point system

Only Bidder(s) that have scored at least the minimum average points for functionality (**60**) will be evaluated in terms of the 80/20 preference point system.

**11. ENQUIRIES**

Bidders may address all technical enquiries and Supply Chain Management compliance matters in writing before the cut-off date for question to: [dcdttenders@dtps.gov.za](mailto:dcdttenders@dtps.gov.za).



Jk Masemola

CFO



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

## TABLE OF CLAUSES

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

## General Conditions of Contract

### 1. Definitions

1. The following terms shall be interpreted as indicated:
  - 1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
  - 1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
  - 1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
  - 1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
  - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
  - 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
  - 1.7 "Day" means calendar day.
  - 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
  - 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
  - 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
  - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

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

obligations of the supplier covered under the contract.

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

## **2. Application**

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

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

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

## **3. General**

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

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

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

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

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

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

## **6. Patent rights**

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



**7. Performance security**

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

**8. Inspections, tests and analyses**

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

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

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

**9. Packing**

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

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

**10. Delivery and documents**

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

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

**11. Insurance**

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

**12. Transportation**

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

**13. Incidental services**

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

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

- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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

#### **14. Spare parts**

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

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

#### **15. Warranty**

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

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

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

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

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

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

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

supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

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

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

## **22. Penalties**

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

## **23. Termination for default**

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

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

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

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

23.4 If a purchaser intends imposing a restriction on a supplier or any

person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

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

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

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

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

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

#### **24. Anti-dumping and countervailing duties and rights**

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

may be due to him

**25. Force Majeure**

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

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

**26. Termination for insolvency**

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

**27. Settlement of Disputes**

27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

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

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

27.5 Notwithstanding any reference to mediation and/or court proceedings herein,

- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
- (b) the purchaser shall pay the supplier any monies due the supplier.

**28. Limitation of liability**

28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;

- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

- (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
- 29. Governing language** 29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
- 30. Applicable law** 30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
- 31. Notices** 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
- 32. Taxes and duties** 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
- 33. National Industrial Participation (NIP) Programme** 33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.
- 34 Prohibition of Restrictive practices** 34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
- 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.



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

Js General Conditions of Contract (revised July 2010)