



SBD1

**PART A
INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)

BID NUMBER:	LGB01/09/2024/25RFB	CLOSING DATE:	10/02/2025	CLOSING TIME:	11H00
		COMPULSORY BRIEFING SESSION	24/01/2025	TIME:	10H00

DESCRIPTION APPOINTMENT OF FIVE (5) PANEL OF TRAVEL AGENCIES TO PROVIDE TRAVEL MANAGEMENT SERVICES TO THE LIMPOPO GAMBLING BOARD FOR A PERIOD OF THREE (3) YEARS

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

NO. 8 HANS VAN RENSBURG STREET

LIMPOPO GAMBLING BOARD

POLOKWANE

0700

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO

TECHNICAL ENQUIRIES MAY BE DIRECTED TO:

CONTACT PERSON	Mr Duncan Mohale	CONTACT PERSON	Mr John Legodi
TELEPHONE NUMBER	015 230 2315	TELEPHONE NUMBER	015 230 2314
FACSIMILE NUMBER	086 608 7430	FACSIMILE NUMBER	086 608 7430
E-MAIL ADDRESS	Malesiba@lgb.co.za	E-MAIL ADDRESS	Legodi@lgb.co.za

SUPPLIER INFORMATION

NAME OF BIDDER

POSTAL ADDRESS

STREET ADDRESS

TELEPHONE NUMBER	CODE	NUMBER
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CELLPHONE NUMBER

FACSIMILE NUMBER	CODE	NUMBER
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E-MAIL ADDRESS

VAT REGISTRATION NUMBER

SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:	OR	CENTRAL SUPPLIER DATABASE No:	MAAA
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ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
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QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

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**

<p>1. BID SUBMISSION:</p> <p>1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p> <p>1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.</p> <p>1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.</p> <p>1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</p>
<p>2. TAX COMPLIANCE REQUIREMENTS</p> <p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.</p> <p>2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.</p> <p>2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.</p> <p>2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.</p> <p>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.</p> <p>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."</p>

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:



**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.....
Closing Time 11:00	Closing date.....

OFFER TO BE VALID FOR **180** 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



Terms of Reference / Specifications

Bid No. LGB 01/09/2024/25RFB

Appointment of Panel of Five (5) Travel Agencies to Provide Travel Management Services to the Limpopo Gambling Board (LGB) for a Period of Three (3) Years

1. Introduction

The Limpopo Gambling Board (LGB) invites experienced, reputable, and suitably qualified Travel Management Companies (TMCs) to submit proposals for providing travel management services for a period of three years.

2. Purpose

The primary objectives of this request are to:

- a) Provide LGB with consistent and reliable Travel Management Services that ensure a high level of traveller satisfaction in line with specified service levels.
- b) Achieve significant cost savings for LGB without compromising service quality.

3. Definitions

- **Accommodation:** Rental of lodging facilities while away from one's place of abode on authorized official duty.
- **After-hours Service:** Enquiries or travel requests acted upon outside normal working hours (17:00 to 20:00, Monday to Friday) and 24 hours on weekends and public holidays.
- **Air Travel:** Travel by airline on authorized official business.
- **Authorising Official:** Employee delegated to authorize travel requests and expenses.
- **Car Rental:** Rental of a vehicle for official purposes.
- **Conference Package:** Booking of a venue inclusive of catering, PA system, sound system, notepad, pens, podium, etc.
- **Domestic Travel:** Travel within the borders of South Africa.



- **Emergency Service:** Booking of travel due to unforeseen circumstances requiring unplanned trips or changes.
- **International Travel:** Travel outside the borders of South Africa.
- **Limpopo Gambling Board (LGB):** A parastatal established under the Limpopo Gambling Act (4 of 1996) and retained under the Limpopo Gambling Act, Act No. 3 of 2013.
- **Online Booking Tool (OBT):** Internet-based system for booking flight tickets, accommodation, shuttles, etc.
- **Purchase Order:** Official document detailing and approving trip arrangements by the authorizing official.
- **Quality Management System (QMS):** Collection of processes focused on meeting customer requirements and enhancing satisfaction, including organizational structure, policies, procedures, processes, and resources.
- **Regional Travel:** Travel to SADC countries: Angola, Botswana, Democratic Republic of Congo (DRC), Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, Swaziland, Tanzania, Zambia, and Zimbabwe.
- **Service Level Agreement (SLA):** Contract defining the expected level of service from the TMC.
- **Shuttle Service:** Service for transferring travelers from one point to another.
- **Supply Chain Management (SCM):** Centralized management of the flow of goods and services.
- **Traveller:** LGB official, board members, consultants, or contractors traveling on official business on behalf of LGB.
- **Travel Booker:** Person coordinating travel reservations with the TMC consultant on behalf of the traveller.
- **Travel Management Company (TMC):** Company contracted to provide travel management services.
- **Travel Management Services (TMS):** Services provided by travel agents for corporate travel needs.



- **Travel Voucher:** Document issued by the TMC confirming the reservation and/or payment of travel arrangements.
- **Value Added Services (VAS):** Additional services enhancing general travel management services.
- **Value Added Tax (VAT):** Indirect tax on goods and services consumption.

4. Scope of Work

The travel agency services must comply with the National Treasury's National Travel Policy Framework and manage traveler profiles. Key requirements include:

- a) Establishing a workflow communication platform as per LGB's requirements.
- b) Submitting travel documentation electronically to travel bookers and travellers via SMS and email.
- c) Providing a comprehensive library of transactional and behavioral reports as required by LGB.

4.1 Service Requirements

The successful bidder must provide travel management services including but not limited to:

- a. Services for all travellers on behalf of LGB, including employees, board members, contractors, consultants, and clients.
- b. Provision of services during normal office hours and after-hours, including emergency services.
- c. Familiarization with LGB's current travel business processes.
- d. Negotiation of better deals with travel service providers for LGB's benefit.
- e. Familiarization with and compliance with the National Travel Policy Framework and relevant instructions.
- f. Covering penalties incurred due to the inefficiency or fault of the travel consultant, subject to a formal dispute process.
- g. Providing a facility for LGB to update traveller profiles.



- h. Managing third-party service providers and addressing service failures and complaints.
- i. Consolidating all invoices from travel suppliers.

5. Reservations

The TMC will:

- a) Receive travel requests from bookers and respond with quotations and availability.
- b) Issue e-tickets and vouchers upon receipt of approval and send them to bookers and travellers via the agreed communication medium.
- c) Endeavor to make the most cost-effective travel arrangements.
- d) Advise travellers on alternative, cost-effective plans when necessary.
- e) Obtain a minimum of three price comparisons for travel requests when possible, with valid reasons if fewer quotes are obtained.
- f) Utilize negotiated rates for airfares, accommodation, and car rentals.
- g) Keep abreast of carrier schedule changes and adjust bookings accordingly.
- h) Book parking facilities at airports if required.
- i) Respond timely and process all queries, requests, changes, and cancellations accurately.
- j) Facilitate group bookings and arrangements for venues and refreshments for meetings and conferences.
- k) Ensure venues, meals, and sound systems are provided for conference and meeting bookings.
- l) Issue travel documents, itineraries, and vouchers timely and maintain confidentiality.
- m) Advise travellers on visa and inoculation requirements and assist with visa applications.
- n) Assist with foreign currency arrangements and travel insurance for international trips.
- o) Facilitate bookings through OBT where applicable.
- p) Provide proof of finalized services, i.e., proof of payment.



5.1 Air Travel

- a. Book both full-service and low-cost carriers.
- b. Book the most cost-effective airfares for domestic travel.
- c. Use the most cost-effective and practical routings for international flights.
- d. Obtain at least three price comparisons where applicable.
- e. Include airline agreement and loyalty program numbers on tickets.
- f. Deliver airline tickets electronically to travellers and bookers promptly.
- g. Track and manage unused e-tickets and provide quarterly reports on refunds.
- h. Inform travellers of any travel news regarding airlines.
- i. Assist with lounge access if required.

5.2 Accommodation

- a. Obtain price comparisons within allowable rates as per National Treasury instructions.
- b. Source suitable accommodation considering traveller convenience and acceptable costs.
- c. Issue accommodation vouchers to SCM officials and travellers and send invoices with original hotel invoices.
- d. Provide proof of compliance with allowable rates in reports.
- e. Cancel bookings promptly to avoid no-show and late cancellation fees.

5.3 Car Rental and Shuttle Services

- a. Book approved category vehicles from the closest rental location.
- b. Advise travellers on the best time and location for vehicle collection and return.
- c. Share relevant information regarding rental vehicles with travellers.
- d. Offer alternative ground transportation for international travel.
- e. Book transfers with appointed or alternative service providers.
- f. Manage shuttle companies on behalf of LGB and negotiate better rates.
- g. Provide proof of negotiated rates in reports.



5.4 Events and Training

- a. Assist with arranging events and training, including conferences, exhibitions, meetings, and incentives.

5.5 After Hours and Emergency Services

- a. Provide after-hours and emergency reservation assistance with a dedicated consultant or team.
- b. Ensure availability of dedicated consultants during after-hours, weekends, and public holidays.
- c. Implement a standard operating procedure for managing after-hours and emergency services.

5.6 Communication

- a. Investigate all enquiries and provide prompt feedback as per the SLA.
- b. Ensure effective communication with all stakeholders and streamline workflows.
- c. Communicate with LGB through the SCM unit or the Office of the CFO.

5.7 Financial Management

- a. Implement negotiated rates or maximum allowable rates established by the National Treasury.
- b. Manage service provider accounts, including timely invoice receipt and payment.
- c. Offer a 30-day payment account facility.
- d. Ensure timely submission of legitimate invoices with supporting documentation.
- e. Settle travel supplier accounts promptly.

5.8 Technology, Management Information, and Reporting

- a. Consolidate travel expense information into a single document with automated reporting tools.
- b. Consider implementing an OBT to optimize services and related fees.
- c. Ensure accuracy of all management information and data input.



- d. Provide SLA reports on agreed dates, including travel and finance reports.
- e. Implement processes to secure data and prevent unauthorized access.

5.9 Account Management

- a. Establish an Account Management structure to address LGB's needs and liaison matters.
- b. Appoint a dedicated Account or Business Manager for LGB's account.
- c. Implement quality management processes to ensure traveller satisfaction.
- d. Implement a complaint handling procedure for managing and resolving complaints.
- e. Manage the SLA and conduct customer satisfaction surveys.
- f. Present comprehensive reports on travel spend and SLA performance during reviews.

5.10 Value Added Services

- a. Provide destination information, including health warnings, weather forecasts, and travel alerts.
- b. Offer electronic voucher retrieval via web and smart phones.
- c. Notify travellers of travel confirmations.
- d. Conduct travel audits and global travel risk management.

5.11 Cost Management

- a. Follow National Treasury's cost containment initiatives for cost savings.
- b. Advise on the most cost-effective options within National Treasury's instructions.
- c. Balance cost management, flexibility, and traveller satisfaction.
- d. Ensure knowledge of supplier products to offer the best options and alternatives.

5.12 Appointment of the Panel of Travel Management Companies

5.12.1 The Entity will appoint the first five qualifying Travel Management Companies to the panel based on the evaluation criteria.



a) The number of companies on the panel may be fewer if the number of qualifying Travel Management Companies is less than five.

b) The appointed companies will be utilised on a rotational basis per request.

6. METHODOLOGY

The bid evaluation process shall be carried out in three phases:

- **Phase 1: Administrative Compliance**
- **Phase 2: Evaluation on Functionality**
- **Phase 3: Evaluation in Terms of Price and Preference Point Systems**

PHASE 1: ADMINISTRATIVE COMPLIANCE (Submission of compulsory proposal requirements by bidders and compliance to specification).

The first phase involves checking and verifying all mandatory documents submitted by bidders and ensuring compliance with the specification. If any of the following Bid Forms are not completed and signed or are missing from the proposal on the closing date and time, the proposal will be regarded as non-responsive and may be immediately disqualified:

- SBD 1 (Invitation to Bid) – Must be completed and signed.
- SBD 3.1 (Pricing Schedule) – Must be completed.
- SBD 4 (Bidder's Disclosure) – Must be completed and signed.
- SBD 6.1 (Preference Point System) – Must be completed and signed, failure to complete the form in full will result in forfeiture of specific goals.

Bidders must further attach the following documents and failure may lead to automatic disqualification:

- Proof of ownership documents.
- Proof of Central Suppliers Database (CSD) registration.



Bidders are required to provide certified copies or original documents as needed and failure to comply with the bid requirements may result in disqualification.

PHASE 2: FUNCTIONALITY

The functionality assessment will be based on evaluation criteria and a minimum threshold of 70%. Bidders who do not achieve the minimum score will be disqualified from further evaluation of price and specific goals.

The evaluation will be conducted as follows:

FUNCTIONALITY CRITERIA			
NO	COMPONENTS	Points Awarded	
A	FINANCIAL VIABILITY		20
	Submission of letter from the Bank (we reserve the right to verify)		
	Bank rating A	20	
	Bank rating B	15	
	Bank rating C	10	
	Bank rating D	05	
	Bank rating E downwards	0	
B	COMPANY'S EXPERIENCE <i>(Detailed company's profile must be submitted)</i>		20
	Bidder's proven competency in rendering the similar service, extensive knowledge of the project proven by the number years rendering the similar services.		

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"Established in terms of the Limpopo Casino and Gambling Act, Act No. 4 of 1996, and retained in terms of the Limpopo Gambling Act, Act No. 3 of 2013."

	<ul style="list-style-type: none"> • 8+ years • 6-7 years • 4-5 years • 3-4 years • 0-2 years 	<p>20</p> <p>15</p> <p>10</p> <p>05</p> <p>2</p>	
C	REFERENCE LETTERS – LOCAL		15
	<p>Signed reference letters on valid letterheads that proves experience and contracted value or amount of the organisation in providing travel management services locally. Bidders will be allocated points based on the following:</p> <ul style="list-style-type: none"> • Above R 500 000 • Between R 200 000 – R 499 999 • Between R 90 000- R 199 999 • Below R 89 999 	<p>15</p> <p>10</p> <p>5</p> <p>0</p>	
E	REFERENCE LETTERS – INTERNATIONAL		15
	<p>Signed reference letters on valid letterheads that proves experience of the organisation in providing travel management services internationally.</p> <p>Bidders will be allocated points based on the following:</p> <ul style="list-style-type: none"> • Above R 1 000 000 • Between R 500 000 – R 999 999 • Between R 200 000- R 499 999 • Below R 199 999 	<p>15</p> <p>10</p> <p>5</p> <p>0</p>	



F	DOES THE BIDDER HAVE AN ACCREDITED ON-LINE BOOKING SYSTEM?		10
	<ul style="list-style-type: none"> • Yes • No <p>Provide proof of the On-line Booking Tool (Letter of confirmation from On-line Booking Tool Service Provider)</p>	10 0	
G	LOCALITY		10
	<ul style="list-style-type: none"> • Company located within the Limpopo Province • Outside the Limpopo Province <p>Provide proof of company address (e.g. Municipal bill or Permission to Occupy in a case where the address is on communal land or Letter from Traditional Council)</p>	10 5	
H	CERTIFICATION/ACCREDITATION		10
	<p>Affiliation with relevant professional body (Attach proof)</p> <ul style="list-style-type: none"> • Attached • Not attached 	10 0	

(a) Calculation of Points Scored on Functionality

The points scored on functionality will be calculated using the following formula:

$$Ps = \frac{So}{100} \times 100$$



Ms

Where

Ps = Percentage scored for functionality by BID under consideration

So = Total Score of BID under consideration

Ms = Maximum possible score

- A bidder that scores less than 70 points out of 100 on functionality will be deemed to have submitted a non-responsive proposal and will be disqualified from further evaluation.
- Bidders who achieve the minimum qualification score of 70 points for functionality will progress to the next phase of evaluation, which includes assessing price and preference points in accordance with the Preferential Procurement Regulations 2022.

PHASE 3. EVALUATION OF PRICE AND SPECIFIC GOALS

Following the functionality evaluation, qualifying bidders will be assessed based on price and preference point systems as detailed below:

(a) Preference points

The 80/20 point system shall be applicable in terms of the Preferential Procurement Regulations, 2022.

Preference points shall be allocated as follows: -

Criteria	Points
Price	80



Specific goals	20
TOTAL	100

Price Evaluation

- The price of each qualifying bid will be evaluated in terms of the 80/20 preference point system.
- The lowest acceptable price will be used as the benchmark for scoring. The formula to calculate the price score is:
- The formulae used in calculating points scored for price are as follows:

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where:

P_s = Points scored for bid under consideration

P_t = Rand value of bid under consideration

P_{\min} = Rand value of lowest acceptable bid

Points scored must be rounded off to the nearest 2 decimal places.

- **Pricing Calculation**

- **Unconditional Discounts:** These will be considered for evaluation purposes.
- **Conditional Discounts:** These will not be considered for evaluation purposes but will be applied when payment is made.

- **Pricing Model**

The Limpopo Gambling Board (LGB) requires bidders to propose only one pricing model, which is the transactional fee model.



• Transactional Fee

The transaction fee must be a fixed percentage of the value or cost of the service provided by third-party service providers.

• Volume-Driven Incentives

When determining the pricing, bidders should take the following into account:

- **Negotiated Rates:** National Treasury has negotiated non-commissionable fares and rates with various airlines and other service providers.
- **Override Commissions:** No override commissions earned through LGB reservations will be paid to the Travel Management Companies (TMCs).
- **Open Book Policy:** An open book policy will apply, and any commissions earned through LGB's volumes must be reimbursed to LGB.
- **Booking Requirements:** TMCs are required to book either the negotiated rates or the best available fare, whichever is the most cost-effective for the institution.
- **Booking Rates:** TMCs should book either the negotiated rates or the best available fare, whichever is cheaper for LGB.

Description	% (INCL. VAT)
FIXED TRANSACTION FEE PERCANTAGE (%)	

Note: The transaction fee must be a fixed percentage of the value or cost of the service provided by third party service providers.

Company Name: _____

Contact Person: _____

Contact Number(s): _____



Email Address: _____

Signature of Bidder: _____

Date: _____

b) Specific Goals

- A maximum of 20 points will be awarded for specific goals in accordance with the table:

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)	Means of Verification
Black	4		CSD Report
Youth Black	4		CSD Report
Women	4		CSD Report
Person(s) with Disability	4		CSD Report and Medical Certificate
Small, Medium and Micro Enterprises (SMMEs)	2		CSD Report
Enterprises Located in rural areas and township	2		CSD Report

- The points scored by a tenderer in respect of the specific goals above must be added to the points scored for price.
- Only the tender with the highest number of points scored may be selected.

7. FINAL EVALUATION

7.1 The final score for each qualifying bid will be the sum of the price score and the specific goals.



7.2 The bid with the highest final score will be recommended for appointment.

8. CRITERIA FOR BREAKING DEADLOCK IN SCORING

- 8.1 In the event that two (2) or more bids have scored equal total points, the successful bid must be the one (1) that scored the highest points for specific goals.
- 8.2. If two (2) or more bids have equal points, including equal preference points for specific goals, the successful bid must be the one (1) scoring the highest score for functionality, if functionality is part of the evaluation process.
- 8.3. In the event that two (2) or more bids are equal in all respects, the award must be decided by the drawing of lots.

9. AWARD OF CONTRACT

- 9.1 The Entity will notify the successful bidder(s) and proceed with contract negotiations.
- 9.2 The final contract will be awarded based on the overall highest score, as determined by the combination of functionality, price, and preference points.

10. BIDDER'S OBLIGATIONS

- 10.1 Bidders are required to ensure that all information provided is accurate and complete.
- 10.2 Bidders must comply with all legal and regulatory requirements pertaining to the bid.

11. CONTACT INFORMATION

For any inquiries related to the bid process, please contact Mr. J. Legodi on 015 230 2314 or Legodi@lgb.co.za



12. SUBMISSION INSTRUCTIONS

Bidders must submit their proposals by the specified deadline.

Bidders must submit their proposals to the Limpopo Gambling Board at the following address: Limpopo Gambling Board, No. 08 Hans van Rensburg Street, Polokwane, 0700

Proposals must be complete, signed, and submitted in accordance with the bid instructions.

13. RESERVATIONS OF RIGHTS

Limpopo Gambling Board reserves the right to:-

- 13.1 Request further information from any Service Provider after the closing date of the RFB;
- 13.2 Verify information and documentation of respective Service Provider from the South African Revenue Services (**SARS**), Companies & Intellectual Property Commission (**CIPC**), National Treasury or any other relevant entity or visit the premises of the Service Provider at any time without notice. Any information received which does not correspond with the one provided in the RFQ document will render the RFQ null and void;
- 13.3 Negotiate a market-related price with the tenderer scoring the highest points or cancel the tender;
- 13.4 If the tenderer does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the second highest points or cancel the tender;
- 13.5 If the tenderer scoring the second highest points does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the third highest points or cancel the tender.
- 13.6 If a market-related price is not agreed as envisaged in paragraph 13.5, the Limpopo Gambling Board must cancel the tender.



- 13.7 Not make an award;
- 13.8 Withhold payment of valued-added tax (VAT) on any amounts charged by the Service Provider should the Service Provider tax status is not in good standing with the South African Revenue Service. Therefore, the Service Provider must ensure that their tax status must be in good standing for the full duration of the contract.
- 13.9 Cancel the contract, if it is satisfied that any person (being an employee, partner, director or shareholder of the Service Provider or a person acting on behalf of or with the knowledge of the bidder), firm or company (The expression "person, firm or company" shall include an authorized employee or agent of such a person, firm or company):
- is executing a contract with government unsatisfactorily;
 - has offered, promised or given a bribe or other gift or remuneration to any officer or employee in the Public Service in connection with obtaining or executing a contract;
 - has acted in a fraudulent manner or in bad faith or in any other unsatisfactory manner in obtaining a contract with any government department, provincial administration, public body, company or person, or that he has managed his affairs in such a way that he has in consequence there-of been found guilty of a criminal offence;
 - has withdrawn or amended his RFB after the time set for the receipt and opening of RFB.

APPROVED BY:

.....
DR. MD. MALESA

ACTING CHIEF EXECUTIVE OFFICER



BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration in respect of employees of the State

2.1 Is the bidder, or any of the directors / trustees / shareholders / members / partners of the bidder employed by the state? **YES/NO**

If so, furnish particulars of the names, individual identity numbers, in table below.

Full Name	Identity Number	Name of State institution

3. Bidders' disclosure in respect of independent bidding

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

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

- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.5 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.6 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 3.7 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of 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 state for a period not exceeding 10 years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED ABOVE IS CORRECT AND ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME SHOULD THIS INFORMATION PROVE TO BE FALSE.

.....
Signature	Date
.....
Position/ Designation	Name of bidder



**PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL
PROCUREMENT REGULATIONS 2022**

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

NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

- 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 **To be completed by the organ of state**

(delete whichever is not applicable for this tender).

a) The applicable preference point system for this tender is the **80/20** preference point system.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

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

1.4 **To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and SPECIFIC GOALS	100

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

3.2.1. POINTS AWARDED FOR PRICE

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

$$Ps = 80 \left(1 + \frac{Pt - Pmax}{Pmax} \right) \text{ or } Ps = 90 \left(1 + \frac{Pt - Pmax}{Pmax} \right)$$

Where

- Ps = Points scored for price of tender under consideration
Pt = Price of tender under consideration
Pmax = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
 - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
- then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Table 1: Specific goals for the tender and points claimed are indicated per the table below.

(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.)

Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)	Means of Verification
Black	4		CSD Report
Youth Black	4		CSD Report
Women	4		CSD Report
Person(s) with Disability	4		CSD Report and Medical Certificate
Small, Medium and Micro Enterprises (SMMEs)	2		CSD Report
Enterprises Located in rural areas and township	2		CSD Report

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm.....

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One-person business/sole propriety
- Close corporation
- Public Company
- Personal Liability Company
- (Pty) Limited
- Non-Profit Company
- State Owned Company

[TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I 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 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering 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 tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted 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, if deemed necessary.

<p>.....</p> <p>SIGNATURE(S) OF TENDERER(S)</p>
<p>SURNAME AND NAME:</p>
<p>DATE:</p>
<p>ADDRESS:</p> <p>.....</p> <p>.....</p> <p>.....</p>

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.

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General Conditions of Contract

1. Definitions

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

RSA.

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

obligations of the supplier covered under the contract.

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

2. Application

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

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

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

3. General

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

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

4. Standards

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

5. Use of contract documents and information; inspection.

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

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

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

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

6. Patent rights

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

7. Performance security

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

8. Inspections, tests and analyses

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

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

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

9. Packing

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

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

10. Delivery and documents

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

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

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

- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
 - (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.
- 13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.
- 14. Spare parts
 - 14.1 As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:
 - (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
 - (b) in the event of termination of production of the spare parts:
 - (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
 - (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.
- 15. Warranty
 - 15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.
 - 15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.
 - 15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.
 - 15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.
 - 15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take

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

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

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

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

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

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

- 23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.
- 23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
- (i) the name and address of the supplier and / or person restricted by the purchaser;
 - (ii) the date of commencement of the restriction
 - (iii) the period of restriction; and
 - (iv) the reasons for the restriction.

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

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

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

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

may be due to him

25. Force Majeure

- 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for insolvency

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

27. Settlement of Disputes

- 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5 Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
 - (b) the purchaser shall pay the supplier any monies due the supplier.

28. Limitation of liability

- 28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;
- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

- (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
- 29. Governing language** 29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
- 30. Applicable law** 30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
- 31. Notices** 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
- 32. Taxes and duties** 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
- 33. National Industrial Participation Programme (NIP)** 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)