

Request for Proposal

Provision of internal audit services for a period of three (3) years

Full Name of Bidding Entity:	
Contact Person:	
Contact Number:	
Contact Email Address:	
Advertisement Date:	12 July 2024
Compulsory Briefing Session Date/Time:	Not applicable
Closing Date/Time:	02 August 2024 at 11h00
Issued by:	Wesgro

**PART A
INVITATION TO BID**

ZERO-TOLERANCE TO FRAUD, THEFT AND CORRUPTION (ANTI-FRAUD, THEFT AND CORRUPTION)

THE WCG IS COMMITTED TO GOVERN ETHICALLY AND TO COMPLY FULLY WITH ANTI-FRAUD, THEFT AND CORRUPTION LAWS AND TO CONTINUOUSLY CONDUCT ITSELF WITH INTEGRITY AND WITH PROPER REGARD FOR ETHICAL PRACTICES.

THE WCG HAS A ZERO TOLERANCE APPROACH TO ACTS OF FRAUD, THEFT AND CORRUPTION BY ITS OFFICIALS AND ANY SERVICE PROVIDER CONDUCTING BUSINESS WITH THE WCG.

THE WCG EXPECTS ALL ITS OFFICIALS AND ANYONE ACTING ON ITS BEHALF TO COMPLY WITH THESE PRINCIPLES TO ACT IN THE BEST INTEREST OF THE WCG AND THE PUBLIC AT ALL TIMES.

THE WCG IS COMMITTED TO PROTECTING PUBLIC REVENUE, EXPENDITURE, ASSETS AND REPUTATION FROM ANY ATTEMPT BY ANY PERSON TO GAIN FINANCIAL OR OTHER BENEFIT IN AN UNLAWFUL, DISHONEST OR UNETHICAL MANNER.

INCIDENTS AND SUSPICIOUS ACTIVITIES WILL BE THOROUGHLY INVESTIGATED AND WHERE CRIMINAL ACTIVITY IS CONFIRMED, RESPONSIBLE PARTIES WILL BE PROSECUTED TO THE FULL EXTENT OF THE LAW.

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF WESGRO					
BID NUMBER:	SCM002-2024	CLOSING DATE:	02 August 2024	CLOSING TIME:	11h00
DESCRIPTION	Provision of internal audit services for a period of three (3) years				
BID RESPONSE DOCUMENTS MUST BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
Ground Floor, Media 24 building, 40 Heerengracht Street, Cape Town					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	scm@wesgro.co.za		CONTACT PERSON	scm@wesgro.co.za	
TELEPHONE NUMBER	N/A		TELEPHONE NUMBER	N/A	
FACSIMILE NUMBER	N/A		FACSIMILE NUMBER	N/A	
E-MAIL ADDRESS	scm@wesgro.co.za		E-MAIL ADDRESS	scm@wesgro.co.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		

E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		AND	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
IF YES, WAS THE CERTIFICATE ISSUED BY A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN NATIONAL ACREDITATION SYSTEM (SANAS)	[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No				
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT (FOR EMEs& QSEs) MUST BE SUBMITTED TOGETHER WITH A COMPLETED 6.1 IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS/ SERVICES/ WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? YES <input type="checkbox"/> NO					<input type="checkbox"/>
DOES THE ENTITY HAVE A BRANCH IN THE RSA? YES <input type="checkbox"/> NO					<input type="checkbox"/>
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? YES <input type="checkbox"/> NO					<input type="checkbox"/>

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

1. BID SUBMISSION:
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED – (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (WCBD7).
2. TAX COMPLIANCE REQUIREMENTS
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING THROUGH THE WEBSITE WWW.SARS.GOV.ZA .
2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE WITH TOGETHER WITH THE BID.
2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE AND CSD NUMBER AS MENTIONED IN 2.3 ABOVE.
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:

1. INTRODUCTION

Wesgro is the official Tourism, Trade and Investment Promotion and Facilitation agency for the Western Cape. Wesgro is a legislated Schedule 3C Public Entity, as provided for in the Western Cape Investment and Trade Promotion Agency Amendment Act, 2013.

A globally competitive regional economy through inclusive and sustainable economic growth in Cape Town and the Western Cape is our vision.

For the 2024/25 financial year, our strategy will be to:

- Differentiate the Western Cape as a leading regional economy.
- Capture the Western Cape's share of global investment (G4J Target: R200bn by 2035).
- Grow Western Cape exports of goods and services, incl. Tourism (G4J Target: Triple exports by 2035).
- Grow the leisure and business tourism pie to support export target (G4J Target: Double tourism by 2035).
- Be a sustainable and innovative Wesgro (Future-fit Wesgro)

2. OBJECTIVES AND BACKGROUND

Wesgro is seeking proposals from credible independent audit firms to provide internal audit services for a period of three (3) years. The service provider will be required to add value, provide appropriate levels of assurance on risk and control effectiveness in all facets of the business on a regular basis. In doing so, the service provider will work collaboratively with the Audit, IT and Risk Committee (AIRC) and Wesgro Management to fulfil their mandate. The service provider will ensure that all work performed conforms to the latest Standards for the Professional Practice of Internal Auditing and King IV reports.

Please see link to the Wesgro 2024/25 Annual Performance Plan: [Wesgro-Annual-Performance-Plan-2023-24.pdf](#)

3. SCOPE OF WORK REQUIREMENTS

The scope of services for the three (3) year period is as follows:

3.1 **PLANNING REQUIREMENTS:**

- 3.1.1 Developing a flexible rolling three-year internal audit plan (IA Plan) and annual internal audit plan (including the scope, cost, and timelines of each audit) using an appropriate risk-based methodology, including any risks and opportunities or control concerns identified by management or directed by Audit, IT and Risk Committee (AIRC) which is informed by the Wesgro's strategic risks and opportunities.
- 3.1.2 Submitting the IA plan to the AIRC for review and approval as well as periodic updates throughout the year.
- 3.1.3 Preparation of an Audit Planning Memorandum (APM) describing the audit scope for each auditable area.

- 3.1.4 Collaborate with relevant Internal and External Service and Assurance Providers including Management to ensure proper coverage and minimal duplication of effort.

3.2 EXECUTION REQUIREMENTS:

- 3.2.1 Implementing the annual audit plan as approved, including, as appropriate, any special tasks or projects requested by Management and the AIRC.
- 3.2.2 Attending all AIRC meetings throughout the year and any other meeting requested by Management or the AIRC.
- 3.2.3 Monitoring the implementation of audit findings and engagement results communicated to Management.
- 3.2.4 Through using the risk-based approach, assure the AIRC that sufficient work has been done, not only over financial matters, but also operational, compliance, etc.
- 3.2.5 Performing an objective assessment of the adequacy and effectiveness of risk and opportunity management and all other elements of the internal control framework. Performing reviews of Wesgro's governance process including ethics.
- 3.2.6 Conduct follow-up reviews with a view to evaluating Management action plans against agreed timelines.
- 3.2.7 Keeping the AIRC informed of emerging trends and successful practices in internal auditing.
- 3.2.8 Analysing and evaluating business processes and associated controls in support of the achievement of divisional and ultimately Wesgro's strategy and objectives.
- 3.2.9 Evaluating and assessing significant new or changing services, processes, operations, and control processes.
- 3.2.10 Providing, with the approval of the AIRC, consulting services, beyond internal auditing's assurance services, if so required, which do not prejudice the responsibilities required of internal audit, to assist Management in meeting its objectives.
- 3.2.11 Developing and maintaining a quality assurance and improvement program that covers all aspects of the internal audit function including internal and external quality assessments.

3.3 REPORTING REQUIREMENTS:

- 3.3.1 Presenting an audit report to Management after each audit and a quarterly summary report on critical and significant matters to the AIRC related to the processes for controlling the activities of Wesgro, including potential improvements to those processes, and provide information concerning such issues through active and constructive resolution.

- 3.3.2 Periodically providing information on the status and results of the annual audit plan and the sufficiency of the internal audit function's resources.
- 3.3.3 Providing annually an objective assessment on the adequacy and effectiveness of Wesgro's processes, internal controls and managing its risks and opportunities set forth under the mission and scope of work.
- 3.3.4 Annually provide a written assessment of internal control environment, governance, and risk management to the AIRC.

3.4 SPECIFICATION

The Successful Internal Audit Service Provider will be responsible for the following outcomes:

- 3.4.1 Provide effective value adding Internal Audit Services that are innovative and responsive to the needs of Wesgro and its operating environment.
- 3.4.2 Assist management and AIRC of Wesgro in the effective discharge of their responsibilities by providing assurance that management processes are adequate to identify and monitor significant risks.
- 3.4.3 Confirm through analysis, appraisal, recommendations, advice and insights that established systems of internal controls are adequately designed are operating effectively and efficiently.
- 3.4.4 Review the systems of internal control to ascertain whether they are functioning as designed.
- 3.4.5 Provide Internal Audit Services in line with the Performance and Attributes Standards endorsed by the Institute of Internal Auditors (IIA).
- 3.4.6 Provide Services in line with the Public Finance Management Act (PFMA) and King IV Report on Corporate Governance.
- 3.4.7 Review the accuracy, reliability, and integrity of financial and non – financial information and the means used to identify, classify, and report such information.
- 3.4.8 Review and appraise the economic, effectiveness and efficiency with which resources are employed.
- 3.4.9 Review specific programmes or initiatives to ascertain whether results are consistent with established objectives and goals; and whether the programmes or initiatives are being carried out as planned.
- 3.4.10 Review systems established to ensure compliance with policies, plans, procedures, laws and regulations that could have significant impact on operations and reports and determining whether the organisation complies.
- 3.4.11 Provide Assurance on the Cybersecurity measures taken by the Agency.

- 3.4.12 Perform Internal Audit Services in such a manner that at least moderate reliance is placed on the function of the Internal Audit by the Auditor – General of South Africa (AGSA).
- 3.4.13 Perform annual risk assessments based on inputs from the Internal Control unit within the Finance Component, the external auditors and their evaluation of environmental factors impacting the organisation, from which internal audit plans will be developed.
- 3.4.14 The above - mentioned coordinated approach shall be used to maximise internal audit resources and coverage and to ensure that the appointed service provider provide greatest value to Wesgro. Matters to be considered in developing the Annual Audit Plans shall include:
 - 3.4.14.1 Significant areas of potential risk of fraud.
 - 3.4.14.2 The accuracy and completeness of financial statements.
 - 3.4.14.3 Major changes in operations, organisational structures, systems, and controls.
 - 3.4.14.4 Safeguarding of assets.
 - 3.4.14.5 Compliance with laws, regulations, contracts, policies, and procedures.
 - 3.4.14.6 Risk areas identified by management.
 - 3.4.14.7 Results of previous audits.
 - 3.4.14.8 Significant areas of risk related to reliability and integrity of financial and operational information or failure to deliver on the Wesgro Mandate.
 - 3.4.14.9 The appropriateness of its staff mix and expertise, relative to a specific engagement.
 - 3.4.14.10 Develop a three – year Internal Audit Strategic Plan and an Annual Audit Operational Plan based on the risk assessment for approval by the AIRC. The plan should include costing of all the activities to be performed.
 - 3.4.14.11 Perform risk - based internal audits based on the approved plans.
 - 3.4.14.12 Coordinate with the AGSA and ensuring alignment with the external audit function processes and best practice. The internal audit function will be required to meet with the AGSA on an annual basis to discuss the internal audit plan.
 - 3.4.14.13 The internal audit function will be required to present their plan to increase the effectiveness of the combined assurance model to management and the AIRC.
 - 3.4.14.14 Attend AIRC meetings, and report periodically on the internal audit plan.
 - 3.4.14.15 Work in line with the combined assurance model.
 - 3.4.14.16 Periodically perform ad-hoc reviews as requested by exco and the AIRC.
 - 3.4.14.17 Maintain a functional quality assurance and improvement programme that covers all aspects of the internal audit services AND, at least once during a three-year cycle or as determined by the AIRC, be subjected to an independent quality assurance review.

3.5 EXPERTISE AND CAPACITY

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

- 3.5.1 Have knowledge and a comprehensive understanding of the public sector, and an understanding of the PFMA and its related Treasury Regulations.
- 3.5.2 The service provider must be able to demonstrate the ability to conduct audits from the premises of Wesgro in Cape Town, Western Cape.

- 3.5.3 Demonstrate to Wesgro that the Engagement Director is directly involved in every engagement review undertaken at the Agency. The engagement director will fill the role of a Chief Audit Executive, and as such the assigned engagement directors must demonstrate qualification, competence, and experience to fulfil this role. Have a quality control department responsible for ensuring the IIA standards are appropriately applied.
- 3.5.4 Demonstrate that they adhere to the IIA standards, particularly as they relate to:
 - 3.5.4.1 The application of a risk-based approach to auditing.
 - 3.5.4.2 The use of IT audit resources (including the appropriate tools)

3.6 PROFESSIONAL MEMBERSHIP

- 3.6.1 The Service Provider is expected to provide detailed information on personnel that will be part of the audit (for example relevant degree, accreditation with the IIA and any other relevant professional body (i.e., technical experience, etc)).
- 3.6.2 It is mandatory that the senior resources of the preferred service provider (i.e, Directors, Senior Managers and Managers) to have the appropriate professional qualification(s) enabling them to perform internal audit services.
- 3.6.3 The Service Provider is to maintain professional audit staff with sufficient knowledge, skills, experience, and professional certifications.

3.7 TYPES OF AUDITS:

The successful bidder will be required to perform the following types of audits:

- 3.7.1 Risk-based audits (this includes but is not limited to, Finance, Human Resources, Procurement and Contract Management and Stakeholder Management.).
- 3.7.2 Compliance audits.
- 3.7.3 Performance Information audits.
- 3.7.4 Governance audits.
- 3.7.5 Sustainability and integrated reporting audits.
- 3.7.6 Information, Communication and Technology (ICT) audits; Risk Management Maturity Assessment.
- 3.7.7 Fraud Assessments.
- 3.7.8 Ad hoc projects when required (including but not limited to the effectiveness of the Board performance and the assessment of the significance/materiality framework)

3.8 UPDATED KEY RISKS AND MITIGATION FROM THE STRATEGIC PLAN

Strategic Objectives	Key Risk	Mitigation measures
Capture the Western Cape's share of global investment (G4J Target: R200bn by 2035)	<ul style="list-style-type: none"> Capability to drive the implementation of a focused Tech and Green value proposition for the Western Cape. The Green Cape is at risk of being unfunded which will impact Wesgro. Ability to attract Green skills and capabilities within the region. Ability for Wesgro and the Province to scale (Embedded generation, electrical vehicles, green hydro, batteries, circular economy, water) Ability for the Province to scale up in the Tech space/industry 	Tech team has been established at Wesgro to drive the tech proposition. Commissioned research on international benchmark for Green investment value proposition to feed into green investment value proposition of the Western Cape.
	The sustainability of investment and funding within the Western Cape and South Africa, as a result of: Increased poverty and unemployment rates, increased youth unemployment; unstable energy supply (e.g. load- shedding); water risk (e.g. water- shedding); food security (e.g. SCM and logistic disruptions); safety risks (e.g. increased crime rates).	Working in close collaboration with the entire investment support system across national. Provincial and local government to ensure a competitive investment environment.
	The impact of climate change on the economy.	Understanding the risks that climate change pose to the Western Cape economy and ensuring that Wesgro's Investment strategy is aligned to support mitigation and adaptation.
	<ul style="list-style-type: none"> Resource constraints International presence No international presence/ scouts in key foreign markets and industries. 	Strengthen relationships with key international networks including diplomatic corps, international buyers, international business Support organisations, tourism industry.
	Lack of collaboration between key stakeholders and uncoordinated focus on key strategic priorities to contribute significantly to the Western Cape.	Increased collaboration, sector knowledge on key strategic sectors.
	<ul style="list-style-type: none"> The manufacturing capabilities of the emerging and future economies are not a focus in the province which impacts future investments within the region. Resource constraints within Wesgro to enable value adding services 	Enhancing capabilities to promote and facilitate investment into manufacturing.
Grow Western Cape exports of goods and services, incl. Tourism (G4J Target: Triple exports by 2035)	<ul style="list-style-type: none"> Key strategic products not prioritised Diversification of exports products and services. Western Cape exporter readiness for the implications of the Green transition. Lack of consistent affordable energy and water constraints. Costly alternative sources of energy. 	Alignment with Western Cape export strategy implementation plan to strengthen prioritisation of key strategic products and markets.
	Limited market access inhibits the expansion of export industries (including markets with preferential access agreements) as well as an uncoordinated approach to tier 1, 2, and 3 markets inhibiting opportunities and growth..	Alignment with Western Cape export strategy implementation plan to systematically address market access challenges in collaboration with the export ecosystem.
	Challenges in cross border logistics and route to market (harbour, rail, road and air and land border crossings).	Strengthening of relationships with key strategic stakeholders across the logistics value chain to assist in unblocking challenges.

Strategic Objectives	Key Risk	Mitigation measures
	Resource constraints for widely and regularly promoting trade of goods and services. Increasing cost of cost of promotion due to weakening Rand vs international currencies.	Collaborate with other stakeholders like DTIC, other provincial TTIPA's, DOA, to pool resources to make a bigger or wider impact.
	Weak animal health capacity and controls (nationally)	Focus on markets where our animal products are allowed. Advocate for national improvement to controls and a provincial solution.
Grow the leisure and business tourism pie to support export target (G4J Target: Double tourism by 2035)	Weakening ecosystem in the tourism industry due to the performance of other entities as well as the lack of funding.	Ensure to maintain Wesgro's private sector association partnerships.
	In the absence of strong national tourism brand effort, there is a gap to fill the tourism pipeline to the province. This will impact long term tourism growth strategy.	Maintain the tourism value chain to Business to Business (B2B) as a strategic imperative.
	Inability to unlock potential new travel markets due to identified limitations.	Data research to increase the understanding of the tourism value chain in the secondary and new resource markets.
	Instability across the public sector ecosystem (i.e. local and district municipalities) which results in a lack of funding.	Continuous collaborative efforts between LTOs, RTOs and DEDAT.
Differentiate the Western Cape as a leading regional economy	Ability to implement evolving technology in an agile manner at speed. (e.g. AI solutions, and digital strategies).	Competitiveness programme created and data science adopted to implement data analytics and evolving technologies.
	Negative perceptions of SA that affect confidence in the destination.	A dedicated marketing and communications team tracking destination perception and sentiment tools introduced.
	Inadequate collaboration of key stakeholders to inform a central knowledge hub for the destination.	Plan for economic dashboard developed. Regular engagements with local, provincial and national government bodies relevant to knowledge needs.
	Western Cape as a province benchmarked against global players that have significant investment and diverse data sets and market intelligence.	Rearranged the research team to strengthen focus on collaborative research, digital innovation and ability to benchmark against key competitors.
Be a sustainable and innovative Wesgro (Future-fit Wesgro)	Financial loss and reputational damage due to personal Information, privacy breaches, and Cyber security attacks.	Enhanced IT security in line with the digital transformation. Increased cyber- crime training.
	<ul style="list-style-type: none"> Inadequate succession plan addressing components of diversity, inclusion and retention. Loss of key staff and talent. Lack of a high performance and collaborative culture. 	<ul style="list-style-type: none"> Training and career coaching. Succession planning. Strategy to get the right people into the right role timeously. Competitive remuneration. Clear roles and responsibilities.
	Not obtaining a clean audit opinion.	Additional controls implemented and capacity recruited. Approved reviewed policies in affected areas

4. CONTRACT PERIOD

The contract period is for three (3) years, from appointment.

5. MANDATORY REQUIREMENTS

The service provider must achieve the below mandatory requirements in order to proceed to be evaluated further. The service provider must submit the required documentation as part of their proposal. Failure to submit the required documentation will result in the bid being disqualified.

No.	Mandatory requirement	Evidence submitted
1.	Director, Senior Manager and Manager must be Certified Internal Auditor (CIA) as certified by the IIA.	
2.	At least one of the following members of the team: Director, Senior Manager or Manager must be Certified Information Systems Auditor (CISA) as certified by ISACA.	
3.	Director, Senior Manager and Manager must have a Professional Accountancy Qualification certified by either of the following Professional Accountancy Organisations, South African Institute of Chartered Accountants (SAICA), or Association of Chartered Certified Accountants (ACCA).	

6. EVALUATION CRITERIA

Responses will be evaluated using a predetermined set of criteria, i.e., functionality evaluation. The evaluation criteria are designed to reflect the Wesgro's requirements in terms of identifying a suitable service provider and ensure the selection process is transparent and affords all the bidders a fair opportunity for evaluation and selection.

The RFP submission will be functionally evaluated out of a **minimum of 75 points – any bidder who scores less than 75** will not be considered for further evaluation, **maximum score is 100 Price and BBBEE (Specific Goals)**.

Functional Evaluation Criteria:

The evaluation is based on functionality, which will be evaluated using the following criteria and points:

Evaluation Area	Evaluation Criterion	Maximum Points
Technical approach-risk based audit plan 40 points	<ul style="list-style-type: none">a. Proposal includes a risk based three (3) year audit plan based on mandatory review areas (AFS, SCM, IT and Performance information) and identified five (5) risks per section 3.8 and proposed audit work on these.b. Proposal provides detailed methodology, scope of work, combined assurance model and value add throughout the audit is clearly defined.	Technical proposal and risk based audit plan that addresses scope of work, combined assurance model and innovative approach to delivery of audit services= 26 to 40 points

	<ul style="list-style-type: none"> c. Sufficient partner involvement and commitment from the firm to provide services required. d. Clear arrangements regarding the direction, supervision and review of the engagement work. e. Proposal addresses how the firm ensures that appropriate consultation takes place on technical and ethical matters. f. Proposal outlines how the firm maintains a high level of quality control, independence and objectivity. 	<p>Sound proposal and risk based audit plan, and methodology that meets all minimum technical requirements= 10 to 25 points</p> <p>Limited and generic risk based plan provided with generic information provided = Zero to 10 points)</p>
<p>Suitable audit experience and relevant references</p> <p>25 points</p>	<ul style="list-style-type: none"> a. Experience and expertise in providing internal audit services supported by relevant reference letters which provide sufficient detail. 	<p>Demonstratable experience with 3 or more references on client letterhead of previous internal audit services in past five (5) years= 15 points</p> <p>Demonstratable experience with 1-2 references on client letterhead of previous internal audit services in past five (5) years= 10 points</p> <p>Submission of company profile which demonstrates performance of relevant internal audit services for 10 or more years= 10 points</p> <p>Submission of company profile which demonstrates performance of relevant internal audit services for more than 5 years but less than 10 years= 5 points</p>
<p>Experience and qualification of Director and key team members</p> <p>= 35 points</p>	<ul style="list-style-type: none"> a. Director > 10 years internal audit experience, inclusive of Financial, Performance, Governance, Risk and IT, and is a qualified CA/CIA. (5 points) b. Senior Manager > 5 years internal audit experience, inclusive of Financial, Performance, Governance, Risk, IT and Procurement and Contract management, and is a qualified CA/CIA. (10 points) c. Manager and Fieldwork team has relevant internal audit experience in Financial, 	<p>Total points = 35</p>

	Performance, Governance, Risk, IT and Procurement and Contract management. (10 points) d. Audit firm staff are all own staff, and not outsourced. (5 points) e. Audit firm has necessary technical capacity, such as GRAP specialists. (5 points)	
Total		100

7. PRICE AND PREFERENCE

Bidders must submit pricing for all requested items. Failure to submit pricing for all requested items will result in bid disqualification. **The bidder must complete the below ALL pricing tables.**

Pricing methodology used should include the average rate per hour across all areas of the audit, that is planning, execution and reporting. The bidder is required to provide the proposed internal audit fees for the full scope of the audit over the three (3) year period.

The total estimated internal audit billable hours for the three years is 2,500 categorised as follows:

YEAR 1:

No	Task	Allocated hours	Average rate used	Year 1 internal audit fees
1	Meetings and administration			
2	Travel and disbursements			
3	Financial controls review			
4	Supply chain management review			
5	Pre-determined objectives review			
6	Human resources review			
7	GRAP technical review of AFS			
8	ICT general controls review			
9	Ad hoc services (including but not limited to the effectiveness of the Board performance and the assessment of the significance/materiality framework)			
Sub-total		500		
VAT @ 15%				
Total internal audit fees for year 1 (all inclusive)				

YEAR 2:

No	Task	Allocated hours	Average rate used	Year 2 internal audit fees
1	Meetings and administration			
2	Travel and disbursements			
3	Financial controls review			
4	Supply chain management review			

5	Pre-determined objectives review			
6	Human resources review			
7	IT General controls review			
8	GRAP technical review of AFS			
9	Ad hoc services			
Sub-total		500		
VAT @ 15%				
Total internal audit fees for year 2 (all inclusive)				

YEAR 3:

No	Task	Allocated hours	Average rate used	Year 3 internal audit fees
1	Meetings and administration			
2	Travel and disbursements			
3	Financial controls review			
4	Supply chain management review			
5	Pre-determined objectives review			
6	Human resources review			
7	IT General controls review			
8	Compliance and risk management review			
9	GRAP technical review of AFS			
10	Ad hoc services			
Sub-total		500		
VAT @ 15%				
Total internal audit fees for year 3 (all inclusive)				

PRICING FOR WORK PERFORMED ON RISKS (PER SECTION 3.8) – the bidder must choose five (5) risks from the risk register outlined in section 3.8 and outline the name of the risk, and allocation hours and pricing for it (this will be spread over the 3 years)

Risk	Task	Allocated hours	Average rate used	Risk fees from year 1 to 3
1				
2				
3				
4				
5				
Sub-total		1,000		
VAT @ 15%				
Total risk fees for year 1 to 3 (all inclusive)				

Summary pricing table:

No	Year of audit	Allocated hours	Average rate used	Budgeted amount
1	Internal audit fees year 1	500		
2	Internal audit fees year 2	500		
3	Internal audit fees year 3	500		
4	Internal audit risk fees year 1 to 3	1,000		
Total internal audit fees for 3 year period		2,500		

Average rate per hour is based on the following (rate per hour of each team member divided by number of team members- bidder must complete this table)

No	Resource type	Average rate used (excluding VAT)
1	Director /Partner	
2	Senior Manager	
3	Manager/Supervisor	
4	Auditor	
Average rate per hour (this must equate to the tables above)		

Preference Points Evaluation: As the RFP price is estimated to be between R1 million and R50 million including VAT, the RFP responses will be evaluated on the 80/20-point system whereby the bidder obtaining the highest number of total points will be awarded the contract unless objective criteria justify the award to another bidder.

In the event that two (2) or more bids have scored equal points in terms of price and preference, the successful bid must be the one scoring the highest number of preference points in terms of PPPFA Act 5 of 2000. However, when functionality is part of the evaluation process and two or more bids have scored equal points for preference, the successful bid must be the one scoring the highest score for functionality. Should two or more bids be equal in all respects; the award shall be decided by the drawing of lots.

To qualify for the financial evaluation, bidders must meet all requirements as outlined in this RFP. This RFP will be evaluated on the 80/20 points scoring principle as per the Preferential Procurement Policy Framework Act, 2000 and the Preferential Procurement Regulations, 2022. Points scored will be up to a maximum of 80 points for price and up to 20 points for Specific Goals (BB-EEE contribution level).

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

Where

- P_s = Points scored for comparative price of bid under consideration
 P_t = Comparative price of bid under consideration
 P_{\min} = Comparative price of lowest acceptable bid

B-BBEE Status Level of Contributor	Number of Points
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

Proposals will not be disqualified from the bidding process if the bidder did not submit a certificate substantiating the B-BBEE status level of contribution or is a non-compliant contributor. Such a bidder will score zero (0) out of a maximum of 20 points respectively for Specific Goals (BBB-EE).

8. CONTRACTUAL OBLIGATION

Bidders to fully complete documentation required under the process and documentary section, including all applicable costs, in South African Rands (including VAT). In the case of the service provider using sub-contractors, the former will be responsible for ensuring delivery of services from any such sub-contractors and for making any payments to such sub-contractors. Wesgro reserves the right to subject the bidder to a performance review in terms of measuring satisfactory performance.

Bidders are required to fully comply with the relevant SCM Legislative Framework as well as application of regulatory and prescripts. Bidders are also required to take all reasonable steps to protect information, in line with the provisions of the POPIA 4 of 2014.

9. ABSENCE OF OBLIGATION & CONFIDENTIALITY

No legal or other obligation shall arise between the service provider and Wesgro unless/until both parties have signed a formal contract or Service Level Agreement in place, whereby the rand value of the award is in excess of R500,000 (VAT included).

By providing a proposal to Wesgro, the bidders accept the following:

Wesgro will issue a purchase order to the appointed service provider. Wesgro will not pay (and not be held liable) the service provider any amounts over and above the purchase order value and will not pay the service provider for any work performed outside the original RFP that was issued and advertised by Wesgro. Should you receive any instruction from Wesgro that does not come from the SCM unit to perform any work outside of the original bid specification, Wesgro will not be held liable for this payment.

10. INTELLECTUAL PROPERTY

Wesgro will take ownership of any reports, any work and other intellectual property that will arise out of this project.

11. WORKMEN AND SUPERVISION ON SITE

The service provider shall be held responsible for the conduct of his employees and the conduct of his sub-contractor's employees for the full duration of the contract, where applicable.

12. CONTRACT REQUIREMENTS

The RFP document will be appended to Wesgro's Contract (SLA) with the service provider and will constitute the schedule of deliverables for the purposes of this project. All prices indicated in the quotation must remain fixed for the period of the project.

13. REPORTING

The service provider may be expected to provide an outcome based report to a delegated official at Wesgro.

14. BRANDING

Where the RFP has made reference to a brand name, an equivalent may be submitted.

15. WESGRO RIGHTS

The following rights are reserved:

- Wesgro reserves the right to appoint more than one (1) service provider.
- Wesgro reserves the right to reject a bid if the bidder has submitted a proposal that is not according to the specifications/terms of reference.
- Wesgro reserves the right to reject a bid if the standard bidding document (s) have not been submitted or not completed in full.
- Wesgro reserves the right to not award the bid if the bid price is not market related.
- Wesgro further reserves the right to engage with the short-listed bidders for price negotiation and a site inspection where necessary.
- Wesgro reserves the right to invite the shortlisted for a presentation as part of the bid process.
- Wesgro reserves the right to not select the lowest price and/or lowest price only, provided that justifiable objective criteria are applied during the awarding process.

16. BID VALIDITY

Any RFP submitted shall remain valid, irrevocable, and open for written acceptance by Wesgro for a period of 120 days. An RFP submitted shall further be deemed to remain valid after the expiry of the above mentioned 120-day period until formal acceptance by Wesgro, unless Wesgro is notified in writing by the bidder of anything to the contrary (including any further conditions the RFP may introduce). Any further conditions that the bidder may introduce will be considered at the sole discretion of Wesgro.

17. APPEALS

The appeal period will be open for a period of 14 calendar days subsequent to the awarding of the tender to the successful bidder.

18. CLARIFICATION

Any clarification required by a bidder regarding the meaning or interpretation of the RFP or any other aspect concerning the request for proposal, are to be requested in writing by email from scm@wesgro.co.za. The request for proposal number should be mentioned in all correspondence. Telephonic requests for clarification will not be accepted. If appropriate, the clarifying information will be made available to all bidders by e-mail only.

To ensure transparency and for record purposes, all correspondence between Wesgro's Supply Chain Management (SCM) officials and bidders, will only be done via the official Wesgro SCM email address: scm@wesgro.co.za.

Bidders are reminded that Wesgro SCM officials will never contact bidders telephonically or by other method other than through the official SCM email address listed above.

During the evaluation of the bids, additional information may be requested in writing from bidders, for clarity. Replies to such requests must be submitted, within the prescribed timeframe as determined by Wesgro. Failure to comply, may lead to your bid being disregarded.

19. PROCESS AND DOCUMENTARY REQUIREMENTS

Local suppliers:

- Proof of registration on the Central Supplier Database (CSD)- full report.
- WCBD forms (WCBD1, WCBD4 and WCBD6.1)
- BBB-EE certification
- Bank confirmation letter not older than three (3) months.

Foreign suppliers:

- WCBD forms (WCBD1, WCBD4 and WCBD6.1)
- Bank confirmation letter not older than three (3) months.

20. PAYMENT TERMS

Wesgro payment terms are 30 days on receipt of invoice, and is aligned to the National Treasury General Conditions of Contract (GCC).

21. SUBMISSION OF PROPOSALS

Service Providers must submit their tender response by physical submission only to the following address:

Ground Floor, Media 24 building, 40 Heerengracht Street, Cape Town

**The TENDER box situated at:
Ground Floor, Media 24 Building
40 Heerengracht Street
Cape Town**

Please note that Wesgro is no longer located at the South African Reserve Bank building, and we shall not be held liable if tenders are late due to it not being submitted at the correct address.

Tenders can be delivered and deposited into the tender box between 08:30 and 16:00, Mondays to Fridays prior to the closing date, and between 08:30 and 11:00 on the closing date. Bidders should ensure that they allow sufficient time for traffic, flights (if flying to Cape Town from another city/country), access to the building etc, as Wesgro will not be held responsible for any delays because of these.

Please do not leave bid submissions at the security desk or at the reception or with any individual, as these submissions will be disregarded and not accepted.

ALL bid submissions must be deposited into the tender box.

Any bid submissions provided to Wesgro that is not submitted in the tender box will be disregarded.

PROVINCIAL GOVERNMENT WESTERN CAPE- WCBD4 FORM

DECLARATION OF INTERESTS, BIDDERS PAST SCM PRACTICES AND INDEPENDENT BID DETERMINATION

1. To give effect to the requirements of the Western Cape Provincial Treasury Instructions, 2019: Supply Chain Management (Goods and Services), Practice Note 4 of 2006 Declaration of Bidders Past SCM Practices-(SDB8), Instruction note Enhancing Compliance Monitoring and Improving Transparency and Accountability in Supply Chain Management, Practice note 7 of 2009/10 - SBD 4 Declaration of Interest, Practice Note 2010 Prohibition of Restrictive practices SBD9, Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998 as amended together with its associated regulations, the Prevention and Combating of Corrupt Activities Act No 12 of 2004 and regulations pertaining to the tender defaulters register, Paragraph 16A9 of the National Treasury Regulations and/or any other applicable legislation.
2. All prospective bidders intending to do business with the Institution must be registered on the Central Supplier Database (CSD) and the Western Cape Supplier Evidence Bank (WCSEB) if they wish to do business with the Western Cape Government (WCG) via the electronic Procurement Solution (ePS).
3. **Definitions**

“bid” means a bidder’s response to an institution’s invitation to participate in a procurement process which may include a bid, price quotation or proposal;

“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;

“business interest” means -

- (a) a right or entitlement to share in profits, revenue or assets of an entity;
- (b) a real or personal right in property;
- (c) a right to remuneration or any other private gain or benefit, or
- (d) includes any interest contemplated in paragraphs (a), (b) or (c) acquired through an intermediary and any potential interest in terms of any of those paragraphs;

“Consortium or Joint Venture” 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;

“Corruption”- General offences of corruption are defined in the Combating of Corrupt Activities Act, 2004 (Act No 12 of 2004) as:

Any person who directly or indirectly-

- (a) accepts or agrees or offers to accept an! gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person; or
- (b) gives or agrees or offers to give to any other person any gratification, whether for the benefit of that other person or for the benefit of another person., in order to act personally or by influencing another person so to act, in a manner—

- (i) that amounts to the-
 - (aa) illegal. dishonest. unauthorised. incomplete. or biased: or
 - (bb) misuse or selling of information or material acquired in the course of the exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation:
- (ii) that amounts to-
 - (aa) the abuse of a position of authority;
 - (bb) a breach of trust; or
 - (cc) the violation of a legal duty or a set of rules;
- (iii) designed to achieve an unjustified result; or
- (iv) that amounts to any other unauthorised or improper inducement to do or 45 not to do anything. of the, is guilty of the offence of corruption

“CSD” means the Central Supplier Database maintained by National Treasury;

“employee”, in relation to –

- (a) a department, means a person contemplated in section 8 of the Public Service Act, 1994 but excludes a person appointed in terms of section 12A of that Act; and
- (b) a public entity, means a person employed by the public entity;

“entity” means any -

- (a) association of persons, whether or not incorporated or registered in terms of any law, including a company, corporation, trust, partnership, close corporation, joint venture or consortium; or
- (b) sole proprietorship;

“entity conducting business with the Institution” means an entity that contracts or applies or tenders for the sale, lease or supply of goods or services to the Province;

“Family member” means a person’s -

- (a) spouse; or
- (b) child, parent, brother, sister, whether such a relationship results from birth, marriage or adoption or some other legal arrangement (as the case may be);

“intermediary” means a person through whom an interest is acquired, and includes a representative or agent or any other person who has been granted authority to act on behalf of another person;

“Institution” means –

a provincial department or provincial public entity listed in Schedule 3C of the Act;

“Provincial Government Western Cape (PGWC)” means

- (a) the Institution of the Western Cape, and
- (b) a provincial public entity;

“RWOEE” means -

Remunerative Work Outside of the Employee’s Employment

“spouse” means a person’s -

- (a) partner in marriage or civil union according to legislation;
- (b) partner in a customary union according to indigenous law; or
- (c) partner with whom he or she cohabits and who is publicly acknowledged by the person as his or her life partner or permanent companion.

4. Regulation 13(c) of the Public Service Regulations (PSR) 2016, effective 1 February 2017, prohibits any employee from conducting business with an organ of state, or holding a directorship in a public or private company doing business with an organ of state unless the employee is a director (in an official capacity) of a company listed in schedules 2 and 3 of the Public Finance Management Act.

- a) Therefore, by 31 January 2017 all employees who are conducting business with an organ of state should either have:
 - (i) resigned as an employee of the government institution or;
 - (ii) cease conducting business with an organ of state or;
 - (iii) resign as a director/shareholder/owner/member of an entity that conducts business with an organ of state.

5. Any legal person, or their family members, may make an offer or offers in terms of this invitation to bid. In view of potential conflict of interest, in the event that the resulting bid, or part thereof, be awarded to family members of persons employed by an organ of state, 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 Institution
6. The bid of any bidder may be disregarded if that bidder or any of its directors abused the institution's supply chain management system; committed fraud or any other improper conduct in relation to such system; or failed to perform on any previous contract.
7. 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). Collusive bidding is a per se prohibition meaning that it cannot be justified under any grounds.
8. 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 authorises 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.
9. Communication between partners in a joint venture or consortium will not be construed as collusive bidding.
10. 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.

SECTION A: DETAILS OF THE ENTITY		
	<i>CSD Registration Number</i>	MAAA
	<i>Name of the Entity</i>	
	<i>Entity registration Number (where applicable)</i>	
	<i>Entity Type</i>	
	<i>Tax Reference Number</i>	
<i>Full details of directors, shareholder, member, partner, trustee, sole proprietor or any persons with a right or entitlement to share in profits, revenue or assets of the entity should be disclosed in the Table A below.</i>		

TABLE A

[illegible]

SECTION B: DECLARATION OF THE BIDDER'S INTEREST

The supply chain management system of an institution must, irrespective of the procurement process followed, prohibit any award to an employee of the state, who either individually or as a director of a public or private company or a member of a close corporation, seek to conduct business with the WCG, unless such employee is in an official capacity a director of a company listed in Schedule 2 or 3 of the PFMA as prescribed by the Public Service Regulation 13 (c).

Furthermore, an employee employed by an organ of state conducting remunerative work outside of the employee's employment should first obtain the necessary approval by the delegated authority (RWOEE), failure to submit proof of such authority, where applicable, may result in disciplinary action.

B1.	Are any persons listed in Table A identified on the CSD as employees of an organ of state? <i>(If yes, refer to Public Service Circular EIM 1/2016 to exercise the listed actions)</i>	NO	YES
B2.	Are any employees of the entity also employees of an organ of state? <i>(If yes complete Table B and attach their approved “RWOEE”)</i>	NO	YES
B3.	Are any family members of the persons listed in Table A employees of an organ of state? <i>(If yes complete Table B)</i>	NO	YES

TABLE B

Details of persons (family members) connected to or employees of an organ of state should be disclosed in Table B below.

[illegible]

SECTION C: PERFORMANCE MANAGEMENT AND BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

To enable the prospective bidder to provide evidence of past and current performance.

C1.	Did the entity conduct business with an organ of state in the last twelve months? (If yes complete Table C)	NO	YES
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C2. TABLE C

Complete the below table to the maximum of the last 5 contracts.

NAME OF CONTRACTOR	PROVINCIAL DEPARTMENT OR PROVINCIAL ENTITY	TYPE OF SERVICES OR COMMODITY	CONTRACT/ ORDER NUMBER	PERIOD OF CONTRACT	VALUE OF CONTRACT	
C3. Is the entity or its principals listed on the National Database as companies or persons prohibited from doing business with the public sector?					NO	YES
C4. Is the entity or its principals listed on the National Treasury Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No. 12 of 2004)?					NO	YES
<i>(To access this Register enter the National Treasury's website, www.treasury.gov.za, click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 326 5445.)</i>						
C5. If yes to C3 or C4, were you informed in writing about the listing on the database of restricted suppliers or Register for Tender Defaulters by National Treasury?				NO	YES	N/A
C6. Was the entity or persons listed in Table A convicted for fraud or corruption during the past five years in a court of law (including a court outside the Republic of South Africa)?					NO	YES
C7. 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?					NO	YES

SECTION D: DULY AUTHORISED REPRESENTATIVE TO DEPOSE TO AFFIDAVIT

This form must be signed by a duly authorised representative of the entity in the presence of a commissioner of oaths.

I, hereby
swear/affirm;

- i. that the information disclosed above is true and accurate;
- ii. that I understand the content of the document;
- iii. the entity undertakes to independently arrive at any offer at any time to the Institution without any consultation, communication, agreement or arrangement with any competitor. In addition, that there will be 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 the Institution.
- iv. that the entity or its representative are aware of and undertakes not to disclose the terms of any bid, formal or informal, directly or indirectly, to any competitor, prior to the awarding of the contract.

DULY AUTHORISED REPRESENTATIVE'S SIGNATURE

I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down his/her answers in his/her presence:

1.1 Do you know and understand the contents of the declaration? ANSWER:

1.2 Do you have any objection to taking the prescribed oath? ANSWER:

1.3 Do you consider the prescribed oath to be binding on your conscience? ANSWER:.....

1.4 Do you want to make an affirmation? ANSWER:

2. I certify that the deponent has acknowledged that he/she knows and understands the contents of this declaration, which was sworn to/affirmed and the deponent's signature/thumbprint/mark was place thereon in my presence.

.....
SIGNATURE FULL NAMES Commissioner of Oaths

Designation (rank) ex officio: Republic of South Africa

Date:..... Place

Business Address:

.....

WCBD 6.1

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022 AND IN TERMS OF THE WESTERN CAPE GOVERNMENTS INTERIM STRATEGY AS IT RELATES TO PREFERENCE POINTS

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 (TENDERERS) MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER, PREFERENTIAL PROCUREMENT REGULATIONS, 2022 AND THE BROAD BASED BLACK ECONOMIC EMPOWERMENT ACT AND THE CODES OF GOOD PRACTICE

1. DEFINITIONS

- 1.1 **“acceptable tender”** means any tender which, in all respects, complies with the specifications and conditions of tender as set out in the tender document.
- 1.2 **“affidavit”** is a type of verified statement or showing, or in other words, it contains a verification, meaning it is under oath or penalty of perjury, and this serves as evidence to its veracity and is required for court proceedings.
- 1.3 **“all applicable taxes”** includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- 1.4 **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- 1.5 **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 1.6 **“bid”** means a written offer on the official bid documents or invitation of price quotations and **“tender”** is the act of bidding /tendering;
- 1.7 **“Code of Good Practice”** means the generic codes or the sector codes as the case may be;
- 1.8 **“consortium or joint venture”** 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;
- 1.9 **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;

- 1.10 **“EME”** is an Exempted Micro Enterprise with an annual total revenue of R10 million or less.
- 1.11 **“Firm price”** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 1.12 **“Large Enterprise”** is any enterprise with an annual total revenue above R50 million;
- 1.13 **“non-firm prices”** means all prices other than “firm” prices;
- 1.14 **“person”** includes a juristic person;
- 1.15 **“price” means an amount of money tendered for goods or services, and** includes all applicable taxes less all unconditional discounts;
- 1.16 **proof of B-BBEE status level contributor” means-**
- (a) The B-BBEE status level certificate issued by an authorized body or person;
 - (b) A sworn affidavit as prescribed in terms of the B-BBEE Codes of Good Practice; or
 - (c) Any other requirement prescribed in terms of the Broad- Based Black Economic Empowerment Act.
- 1.17 **QSE** is a Qualifying Small Enterprise with an annual total revenue between R10 million and R50 million;
- 1.18 **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- 1.19 **“sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract.
- 1.20 **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- 1.21 **“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;
- 1.22 **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- 1.23 **“the Regulations”** means the Preferential Procurement Regulations, 2022;

- 1.24 “**total revenue**” bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 11 October 2013;
- 1.25 “**trust**” means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- 1.26 “**trustee**” means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

2. GENERAL CONDITIONS

2.1 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).

2.2 Preference point system for this bid:

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

2.3 Preference points for this bid (even in the case of a tender for income-generating contracts) shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contribution.

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

	POINTS
PRICE	
B-BBEE STATUS LEVEL OF CONTRIBUTOR	
Total points for Price and B-BBEE must not exceed	100

- 2.5 Failure on the part of a bidder to fill in, sign this form and submit in the circumstances prescribed in the Codes of Good Practice either a B-BBEE Verification Certificate issued by a Verification Agency accredited by the South African Accreditation System (SANAS) or an affidavit confirming annual total revenue and level of black ownership together with the bid or an affidavit issued by Companies Intellectual Property Commission, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
- 2.6 The organ of state 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 organ of state.

3. ADJUDICATION USING A POINT SYSTEM

- 3.1 Subject to Section 2 (1) (f) of the Preferential Procurement Policy Framework Act, 2000, the **bidder obtaining the highest number of total points** will be awarded the contract.

- 3.2 A tenderer must submit proof of its B-BBEE status level of contributor in order to claim points for B-BBEE.
- 3.3 A tenderer failing to submit proof of B-BBEE status level of contributor or is a non-compliant contributor to B-BBEE will not be disqualified but will only score:
- (a) points out of 80 for price; and
 - (b) 0 points out of 20 for B-BBEE
- 3.4 Points scored must be rounded off to the nearest 2 decimal places.
- 3.5 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 3.6 As per section 2 (1) (f) of the Preferential Procurement Policy Framework Act, 2000, the contract may be awarded to a bidder other than the one scoring the highest number of total points based on objective criteria in addition to those contemplated in paragraph (d) and (e) of the Act that justifies the award to another tenderer provided that it has been stipulated upfront in the tendering conditions.
- 3.7 Should two or more bids be equal in all respects; the award shall be decided by the drawing of lots.

4. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

4.1 POINTS AWARDED FOR PRICE

4.1.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEM

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

80/20

$$Ps = 80 \left(1 - \frac{Pt - P_{min}}{P_{min}} \right)$$

or

90/10

$$Ps = 90 \left(1 - \frac{Pt - P_{min}}{P_{min}} \right)$$

Where

Ps = Points scored for price of bid under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

5.1 POINTS AWARDED FOR PRICE

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

80/20 or

90/10

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

$$P_s = 90 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right)$$

or

Where

P_s = Points scored for price of tender under consideration

P_t = Price of tender under consideration

P_{max} = Price of highest acceptable tender

6. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTION

- 6.1 In terms of WCG interim strategy, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

- 6.2 An **EME** must submit a valid, originally certified affidavit confirming annual turnover and level of black ownership or an affidavit issued by Companies Intellectual Property Commission
- 6.3 A **QSE that is less than 51 per cent (50% or less) black owned** must be verified in terms of the QSE scorecard issued via Government Gazette and submit a valid, original or a legible certified copy of a B-BBEE Verification Certificate issued by SANAS.

- 6.4 A ***QSE that is at least 51 per cent black owned (51% or higher)*** must submit a valid, originally certified affidavit confirming turnover and level of black ownership as well as declare its empowering status or an affidavit issued by Companies Intellectual Property Commission.

- 6.5 A **large enterprise** must submit a valid, original or originally certified copy of a B-BBEE Verification Certificate issued by a verification agency accredited by SANAS.
- 6.6 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 6.7 A trust, consortium or joint venture (including unincorporated consortia and joint ventures) must submit a consolidated B-BBEE status level verification certificate for every separate tender.
- 6.8 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.

7. BID DECLARATION

- 7.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

8. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPH 6

- 8.1 B-BBEE Status Level of Contribution..... =(*maximum of 20 points*)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 6.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or an affidavit confirming annual total revenue and level of black ownership in terms of the relevant sector code applicable to the tender.

9. SUB-CONTRACTING

- 9.1 Will any portion of the contract be sub-contracted? **YES/NO** (*delete which is not applicable*)

- 9.1.1 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? **YES/NO** (*delete which is not applicable*)

- 9.1.2 Sub-contracting relates to a **particular** contract and if sub-contracting is applicable, the bidder to state in their response to a particular RFQ that a portion of that contract will be sub- contracted.

10. DECLARATION WITH REGARD TO COMPANY/FIRM

10.1 Name of company/ entity:

10.2 VAT registration number:

10.3 Company Registration number:

10.4 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

[SELECT APPLICABLE ONE]

10.5 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-BBEE status level of contribution indicated in paragraph 7 above, qualifies the company/ firm for the preference(s) shown and I/we acknowledge that:

- (a) The Western Cape Government reserves the right to audit the B-BBEE status claim submitted by the bidder.
- (b) As set out in Section 130 of the B-BBEE Act as amended, any misrepresentation constitutes a criminal offence. A person commits an offence if that person knowingly:
 - (i) misrepresents or attempts to misrepresent the B-BBEE status of an enterprise;
 - (ii) provides false information or misrepresents information to a B-BBEE Verification Professional in order to secure a particular B-BBEE status or any benefit associated with compliance to the B-BBEE Act;
 - (iii) provides false information or misrepresents information relevant to assessing the B-BBEE status of an enterprise to any organ of state or public entity; or
 - (iv) engages in a fronting practice.
- (c) If a B-BBEE verification professional or any procurement officer or other official of an organ of state or public entity becomes aware of the commission of, or any attempt to commit any offence referred to in paragraph 10.5 (a) above will be reported to an appropriate law enforcement agency for investigation.

- (d) Any person convicted of an offence by a court is liable in the case of contravention of 10.5 (b) to a fine or to imprisonment for a period not exceeding 10 years or to both a fine and such imprisonment or, if the convicted person is not a natural person to a fine not exceeding 10 per cent of its annual turnover.
- (e) The purchaser may, if it becomes aware that a bidder may have obtained its B-BBEE status level of contribution on a fraudulent basis, investigate the matter. Should the investigation warrant a restriction be imposed, this will be referred to the National Treasury for investigation, processing and imposing the restriction on the National Treasury's List of Restricted Suppliers. The bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, may 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.
- (f) The purchaser may, in addition to any other remedy it may have –
 - (i) disqualify the person from the bidding process;
 - (ii) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (iii) 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; and
 - (iv) forward the matter for criminal prosecution.
- (g) The information furnished is true and correct.
- (h) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 2 of this form.

SIGNATURE(S) OF THE BIDDER(S):

.....

DATE:

.....

ADDRESS:

.....

.....



WITNESSES:

1.
2.



CONTRACT FORM - PURCHASE OF GOODS/WORKS/SERVICES

THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SUCCESSFUL BIDDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SUCCESSFUL BIDDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.

PART 1 (TO BE FILLED IN BY THE BIDDER)

1. I hereby undertake to supply all or any of the goods and/or works /services described in the attached bidding documents to (name of institution)..... in accordance with the requirements and specifications stipulated in bid number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the purchaser during the validity period indicated and calculated from the closing time of bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Bidding documents, viz
 - Invitation to bid;
 - Tax clearance certificate;
 - Pricing schedule(s);
 - Technical Specification(s);
 - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2017; [WCBD 6.1]
 - Declaration of Interest; Declaration of bidder's past SCM practices and Certificate of Independent Bid Determination [WCBD 4]
 - Special Conditions of Contract;
 - (ii) *General Conditions of Contract; and*
 - (iii) *Other (specify)*
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the goods and/or works specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.



4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfilment of this contract
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

WITNESSES

1

2.

DATE:



WCBD 7.1

CONTRACT FORM - PURCHASE OF GOODS/WORKS/SERVICES

PART 2 (TO BE FILLED IN BY THE PURCHASER)

1. I..... in my capacity as..... accept your bid under reference numberdated.....for the supply of goods/works/services indicated hereunder and/or further specified in the annexure(s).
2. An official order indicating delivery instructions is forthcoming.
3. I undertake to make payment for the goods/works/services delivered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice accompanied by the delivery note.

ITEM NO.	PRICE (ALL APPLICABLE TAXES INCLUDED)	BRAND	DELIVERY PERIOD	B-BBEE STATUS LEVEL OF CONTRIBUTION	MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)

4. I confirm that I am duly authorised to sign this contract.

SIGNED ATON.....

NAME (PRINT)

SIGNATURE

OFFICIAL STAMP

--

WITNESSES

1.

2.

DATE



GENERAL CONDITIONS OF CONTRACT (GCC)

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 anything 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 ancillaries 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 analysed 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 supplier's cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.
- 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 fulfilment 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 contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

21. Delays in the supplier's performance

- 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 cancelling 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 wilful 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

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.

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