



**higher education
& training**
Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



BID DOCUMENT FOR PROFESSIONAL SERVICES: CO-SOURCING OF INTERNAL AUDIT SERVICES FOR A PERIOD OF 03 YEARS

BID NO : INGWE/12/2024
CLOSING DATE: 04 OCTOBER 2024
CLOSING TIME: 11H00

ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:

Department:	Finance Department
Contact Person:	Ms. M. Vunguvungu
Tel:	039 940 2142
E-mail address:	mvunguvungu@ingwecollege.edu.za

ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:

Department:	Principal's Office
Contact Person:	Ms. N. Mayeza
Tel:	039 940 2142
E-mail address:	nmayeza@ingwecollege.edu.za

NAME OF BIDDER: _____

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BID NOTICE

BID DESCRIPTION	BID NUMBER	COMPULSORY BRIEFING SESSION		CLOSING DATE
PROFESSIONAL SERVICES: CO-SOURCING OF INTERNAL AUDIT SERVICES FOR A PERIOD OF THREE (03) YEARS	INGWE/12/2024	<u>DATE</u> 20/09/2024	<u>VENUE</u> INGWE TVET COLLEGE ADMIN OFFICES MOUNT FRERE	04/10/2024
		<u>TIME</u> 11H00am		<u>CLOSING TIME</u> 11H00

Ingwe TVET College invites competent and experienced service providers for the **PROFESSIONAL SERVICES: CO-SOURCING OF INTERNAL AUDIT SERVICES FOR A PERIOD OF THREE (03) YEARS.**

The bid documents will be available from the SCM unit upon payment of a **non-refundable** fee of **R 250.00** (Two hundred and fifty rand only) and will also be available on College website, Tender Bulletin and e-tender for free. The deposit is to be paid into the College’s bank account, namely **First National Bank, Branch Code: 210821, Account No.: 6203 339 0353**. Submit proof of deposit prior to collection of the bid document from the SCM office. Bid document will be available from **Friday the 13 September 2024**.

Completed Bid documents are to be placed in a sealed envelope endorsed **“PROFESSIONAL SERVICES: CO-SOURCING OF INTERNAL AUDIT SERVICES FOR A PERIOD OF THREE (03) YEARS & BID NUMBER”** and must be deposited in the bid box/tender box, situated at the **Reception Area, at Ingwe Administration Centre, Badibanise A/A Mount Frere 5090** not later than **11H00 on Friday, 04 October 2024**, at which bids will be opened in public.

THE FOLLOWING MANDATORY DOCUMENTS MUST BE SUBMITTED WITH THE COMPLETED BID DOCUMENT/TENDER DOCUMENT AND FAILURE TO SUBMIT WILL LEAD TO THE BIDS BEING DECLARED NON-RESPONSIVE

- Price(s) quoted must be valid for at least ninety (90) days from date of your offer.
- Price(s) quoted must be firm and must be inclusive of VAT.
- A valid SARS TAX Compliance status with PIN.
- Company municipal Statement of account not later than three (3) months or company lease agreement if renting premises or affidavit from SAPS stating that the company is not obliged to pay municipal rates or company ward council letter for non-rate paying areas and rural areas
- Updated CSD report (Central Supplier Database)
- Joint Ventures to attach: JV Agreement and letter of Signatory
- **Valid and certified company Professional Bodies registration: IIA/ SAICA/ IRBA**

BIDDERS SHOULD TAKE NOTE OF THE FOLLOWING BID CONDITIONS:

- Ingwe TVET College Supply Chain Management Policy will apply.
- Ingwe does not bind itself to accept the lowest bid or any other bid and reserves the right to accept the whole or part of the bid.
- Bids which are late, incomplete, unsigned or submitted by facsimile or electronically will not be accepted.
- No proposals will be considered from persons in the service of the state.
- Tender documents must be completed with non-erasable ink. Any tender document completed with pencil will not be acceptable and shall be disqualified.
- Ensure that there are no errors or omissions as this will lead to bids being declared non-responsive.
- The submission should be entirely legible. Any changes made to the original text of bid should be crossed through and signed for.
- DO NOT USE CORRECTION FLUID as this will invalidate your submission.
- Failure to comply with these conditions will invalidate your offer

Evaluation Criteria for this procurement will be as follows:

Stage 1 - Functionality

Company experience=40

Expertise= 40

Methodology=10

Transfer of skills=10

Functionality will be evaluated based on capacity and experience, bidders who do not meet the minimum functionality assessment of 70% will be considered non- responsive and will not be evaluated further.

Stage 2 - Price and Specific goals

Price - 80 point

Specific goals - 20 points

Enquiries should be directed to:

Ms. M. Vunguvungu Tel: 039 940 2142 or mvunguvungu@ingwecollege.edu.za (Bidding process)

Ms. N. Mayeza Tel: 039 940 2142 nmayeza@ingwecollege.edu.za (Technical queries)

INVITATION TO BID-SBD1

**YOU ARE HEREBY INVITED TO BID FOR THE UNDERMENTIONED REQUIREMENTS OF THE
INGWE TVET COLLEGE**

**BID NUMBER: INGWE/12/2024 CLOSING DATE: 04/10/2024 CLOSING TIME: 11H00 TENDER DESCRIPTION:
PROFESSIONAL SERVICES: CO-SOURCING OF INTERNAL AUDIT SERVICES FOR A PERIOD OF THREE (03)
YEARS.**

**As more fully set out in the annexure to this form which contains the specific specifications and /or terms of
reference for the aforesaid requirements.**

BID DOCUMENTS MUST BE DEPOSITED IN THE BID BOX SITUATED AT: Ingwe TVET College
Administration Centre
Badibanise A/A
MT FRERE
5090

Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will **not** be accepted for consideration.


The College does not accept any responsibility for the late submission of bids nor for the placement of a bid in the bid box.

The bid box is only open between 08h00 to 16h30, Mondays to Fridays excluding public holidays.

ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS WHICH MAY NOT BE RETYPED.

THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2011, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT

 **NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE**

 THE FOLLOWING PARTICULARS MUST BE FURNISHED. A FAILURE TO DO SO MAY RESULT IN YOUR BID BEING DISQUALIFIED.	
NAME OF BIDDER	
POSTAL ADDRESS	
STREET ADDRESS	
TELEPHONE NUMBER	CODE: NO.
CELLPHONE NUMBER	

FAX NUMBER	CODE:	NO.
EMAIL ADDRESS		
VAT REGISTRATION NO.		

HAS AN ORIGINAL AND VALID SARS TAX COMPLIANCE WITH STATUS BEEN SUBMITTED? (SBD 2)

YES	NO
-----	----

HAS SPECIFIC GOALS REQUIRED DOCUMENTS BEEN SUBMITTED? (SBD 6.1)

YES	NO
-----	----

(A SPECIFIC GOALS REQUIRED DOCUMENTS MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR SPECIFIC GOALS)

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS / SERVICES / OFFERED?

YES	NO
-----	----

WORKS

(IF YES ENCLOSE PROOF)

DID YOU ATTEND THE COMPULSORY BRIEFING SESSION OR SITE MEETING, IF APPLICABLE

YES	NO
-----	----

SIGNATURE OF BIDDER _____

DATE: _____

CAPACITY UNDER WHICH THIS BID IS SIGNED _____

TOTAL BID PRICE: R _____ TOTAL NUMBER OF ITEMS OFFERED _____

DETAILS OF TENDERING ENTITY'S BANK ACCOUNT

I/We hereby authorize the Employer/Client to approach all or any of the following bank/s for the purposes of obtaining a financial reference:

DESCRIPTION OF BANK DETAIL	BANK DETAILS APPLICABLE TO TENDERER'S HEAD OFFICE
Name of bank	
Branch name	
Branch code	
Name of Account Holder	
Account number	
Type of Account	

Signature of Tenderer: _____

Date: ____/____/20____

TERMS OF REFERENCES AND / OR SCOPE OF WORK

BID SPECIFICATION FOR RENDERING OF INTERNAL AUDIT SERVICES TO PROVIDE TECHNICAL CAPACITY FOR A PERIOD OF THREE YEARS

1. INTRODUCTION

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

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

The Internal Audit service must adhere to the principles of good corporate governance as stipulated in the King report on corporate governance and the Standard for Professional Practise of Internal Audit as promulgated by the Institute of Internal Audits.

2. PROBLEM STATEMENT

Internal Audit is strategically positioned to audit and report on whether management creates the economic value by the efficient and effective use of state resources and promote good corporate governance for quality teaching and learning. The execution of the Internal Audit Activity Plan, in the College is underpinned by the principles of independence, objective, integrity and accountability.

In view of the increasing levels of workload we have considered engaging a professional Internal Audit firm to assist the College Internal Auditor in carrying her duties. This has become necessary so as to enhance our service delivery capabilities.

3. OVERALL GOALS/ OBJECTIVES

The objective of this bid is to appoint a suitable independent Internal Audit Services Provider firm / Consortium with competent and skilful personnel that can establish and maintain an appropriate Internal Audit Service. The successful bidder shall report to the administratively to the Principal and functionally to the Audit and Risk Committee through the Internal Audit Head appointed by the college.

This shall help to promote and ensure:

- the independence of the internal audits;
- broad audits coverage
- adequate consideration of audit reports and value from audit findings;
- the implementation of audit recommendations;

4. SCOPE OF WORK

4.1 INTERNAL AUDIT

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

- a rolling three-year strategic internal audit plan based on the risk assessment having due regard the current college operations, performance proposed in the strategic plan and departmental risk management and mitigation strategy is in place;
- an internal audit plan for the first year of the rolling is in place; plans indicate the scope of each audit in the annual internal audit plan; and
- progress reports to the Audit Committee detailing Internal Audit performance against the plan, to allow effective monitoring and intervention where necessary. This to include budget and actual costs related to progress and resources allocation together with a forecast for work-in-progress and remaining planned items to completion.

The internal audit function will also ensure:

- annual conclusion on control environment;
- audit working paper files for audits completed;

- value added advice is provided to management regarding management of risks;
- assess operating procedures and monitoring mechanism over transfer payments made and received including transfers in terms of the Division of Revenue Act;
- co-ordinate other internal and external providers of assurance to ensure proper coverage and minimize duplication of effort;
- establish policies and procedures to guide the Internal Audit activity.
- provide specialists and methodologies where necessary for aspects of audit which require specific skills e.g. IT

4.1.1 The scope of internal audit work entails evaluating the adequacy and effectiveness of the institution's system of internal control. This includes:

- 4.1.1.1 reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
- 4.1.1.2 reviewing the system established by management to ensure compliance with those policies, plans, procedures, laws and regulations that could have a significant impact on operations, and determine whether the organisation is in compliance;
- 4.1.1.3 reviewing the means the means of safeguarding assets and verifying the existence of assets;
- 4.1.1.4 appraising the economy and efficiency with which resources are employed and identifying opportunities to improve operating performance;
- 4.1.1.5 reviewing operations or programmes to ascertain whether results are consistent with established objectives and whether the operations or programmes are being carried out as planned;
- 4.1.1.6 reviewing the planning, design, development, implementation and operation of major computer-based systems to determine whether:

- Adequate controls are incorporated in systems;
- Thorough systems testing is performed at appropriate stages;
- System documentation is complete and accurate; and
- The needs of users are met.

4.1.2 Reporting through Internal Audit Head to the Audit and Risk Management Committee in writing regularly on the scope of reviews of good governance and any significant findings.

4.1.3 The internal audit function must assist the accounting officer in achieving the objectives of the college by evaluating and developing recommendations for the enhancement or improvement of the process through which:

- Objectives and values are established and communicated;
- The accomplishment of objectives is monitored;
- Accountability is ensured;
- Corporate values are preserved.

4.1.4 In carrying out its support functions to the Accounting Officer, The appointed internal audit service provider shall inter alia produce the following:

- Report monthly to the Head of Internal Audit on progress against the approved operational plan;
- Prepare summary reports for Audit Committee and report quarterly to the audit Committee detailing each performance against annual internal audit plan to allow effective monitoring and possible intervention.
- Assist in facilitating Audit Committee Meetings and minute's production.
- Conduct special examinations at the request of the Accounting Officer and Audit Committee.
- Prepare summary reports for Management on a monthly bases.
- Preparing and attending to Audit Steering Committee meetings.

4.1.5 In addition to the above, the following should also be performed:

- Application Control Reviews and Methodology
- Education Services Audits to focus on the core of the department.
- Conduct reviews of control, governance and risk management process according to the annual operational plan
- Plans indicating the proposed scope for each audit in the annual internal audit plan.
- Reports for audits completed
- Annual conclusion on control environment
- Audit working paper files for audits completed
- Value added advice to management regarding management of risks
- Assess operating procedures and monitoring mechanism over transfers made and received including transfers of the Division of Revenue Act.
- Establish policies and procedures to guide the Internal Audit activity.
- Performance audits: Assessments of economy, efficiency and effectiveness of resources as well as the audit of performance information.
- Review the college Interim Financial Statements (IFS) and Annual Financial Statements (AFS)

4.1.6 The audit service will be a co-sourced function. The services of the successful bidder will lead to the following:

- Review and update the Internal Audit Charter and Audit Committee Charter, Audit Manual
- Prepare a Three year Internal Audit Coverage Plan
- Perform Audit assignments
- Perform Computer Audits/ IT Security
- Performance Finance and Controls audits
- Developing a sustainable Internal Audit Activity
- Capacity building and skills transfer

4.1.7 The performance of such other assignments as the Audit Committee and Accounting Officer may (from time to time) authorise, which may constitute an addition to the scope of services in clause 4.1.6 above.

4.1.8 The successful bidder is to ensure that the internal audit is conducted in accordance with Standards as set by the Institute of Internal Auditors, prescript as dictated by the office of the Auditor General and other provision as many be promulgated or regulation passed in terms of section 76(4)(e) of the PFMA.

5 SPECIAL CONDITIONS AND SKILLS TRANSFER

5.1 Declaration that the bidder is not under public or private reprimand/ warning of a professional association must be provided.

5.2 Transfer of skills intended to develop and educate in-sourced staff to understand the audit environment is part of this request for proposal. The service provider will be expected to:

- Develop a career path for staff under their mentorship;
- Prepare an assessment of the employee after every completed assignment;
- Prepare quarterly assessment of the employee following the Performance Management Development System Guidelines by the DPSA;
- Prepare an annual staff appraisal;
- Ensure that college completes an evaluation form to rate the auditor on the recently completed tasks;
- Use the client evaluation forms to monitor progress of the auditor;
- Recommend suitable training to be provided;
- Monitor and report on progress on the assignments with regards to time spent vs. allocated time;
- Monitor and report on progress with regards to the quality of output produced;
- Report quarterly to the Audit & Risk Committee on staff assessment performance and the results of the staff assessment process and;
- Monitor and report on progress with regards to on the jobs training.

5.3 The proposal must further include a recommendation to the Accounting Officer on process to establish a sustainable Internal Audit section within the College by developing a:

- Detailed skills matrix and gap analysis with accompanying development program;
- Comprehensive Quality Assurance program framework;
- Comprehensive business plan;

- Training and continuous education policy;
- Management control policy and process;
- Formalized career path;
- Facilitate implementation of formal process to facilities management acceptance of risks;
- Policy and methodology to utilize CAATS;
- Retention of records policy;
- Communication strategy regarding Internal Audit role, responsibility and the way their activity could add value to Ingwe TVET College; and
- Agreed management action policy on recommendations raised by Internal Audit

5.4. All bidders are required to submit proof of External Quality Assurance Review having performed with positive results

6 DESCRIPTION AND EXTENT OF WORK

6.1 Performance of audit assignments

6.1.1 Assignments are to be performed in accordance with the service provider's internal audit procedures. However, each assignment should consist of the following tasks:

1. audit preparation;
2. preliminary survey and risk identification;
3. review of internal controls;
4. audit testing;
5. development of findings and recommendations;
6. obtaining management responses; and
7. reporting

6.1.2 All procedures and working papers must be made available on request within one working day, to the management as well as to the Audit Committee and the Auditor General of South Africa.

6.2 Quality Assurance review of the work

The successful Bidder shall ensure that all work conforms to the standards for the Professional Practise of Internal Audit (Institute of Internal Auditors)

6.3 Independence and objectivity

In carrying out the work, the successful Bidder must ensure that their staff maintains their objectivity by remaining independent of the activities they perform. The service provider shall:

- Have no executive or managerial powers, functions of duties except those relating to the

project.

- Not be involved in the day-to-day operation of the College

6.4 Access to working paper

The Head Internal Auditing shall at all times be granted access to working paper files. Such files shall remain the property of Ingwe TVET College and shall at the conclusion of every assignment be handed over to the Head Internal Audit Services with evidence of review by a person in the capacity of a Partner.

7. MANAGEMENT REPORTING REQUIREMENTS

7.1 Report of results

7.1.1. The report(s) on findings and recommendations should be sent to the Manager (auditee) responsible for those recommendations for their review and comment. Within 10 (ten) working days of sending the report(s), the Successful Bidder shall meet with the auditee to discuss the findings and obtain written response to recommendations together with implementation dates. If the finding have not been addressed these shall then be incorporated into the relevant report.

7.1.2. The structure of the report is to be as follow:

- Introduction;
- objective and scope;
- background;
- executive summary;
- findings, recommendations and management response (including implementation dates);
- conclusion; and
- method of proceeding

7.2. Timing of assignments

The Audit Committee after consultation with Management shall approve the three-year audit coverage plan before implementation. The performance of each assignment that is not in the audit coverage plan shall be agreed to by the Audit Committee and include input from Management, if applicable, by not later than 1 (one) month before work is due to commence.

7.3. Monitoring progress of assignment

- The service provider together with Ingwe TVET College management shall constitute a

Project Steering Committee as embodied in the Service Level Agreement (SLA).

- The service provider will provide a report on the progress on deliverables against the detailed work plan at least weekly or monthly as determined in the SLA.
- The service provider shall inform the College in writing of any reason, which may prevent the timely submission of a progress report.

8. APPOINTMENT, COMMENCEMENT AND DURATION

- The successful bidder will be appointed for a period of three years effective from the date of signing the service level agreement. The Service Level Agreement shall be signed by both parties once appointment has been confirmed. Ingwe TVET College reserves the right to cancel the contract before the end of three (3) years due to non-compliance with the SLA.

9. CONTRIBUTION BY THE DEPARTMENT

- The current Internal Audit staff is committed to work together with the successful bidder towards maintenance of the highest ethical standards that can influence employees positively to the accomplishment of the strategic objectives of education service delivery.
- Internal Audit staff has a laptop and is fully conversant with audit softwares that are utilised for execution of audits. There are enough memory sticks and portable printers to allow existing staff to perform her duties. The successful bidder should provide laptops and relevant software for their staff members and specialists.
- The successful Bidder will have access to all information of the College within the normal working hours. Ingwe TVET College will provide the successful Bidder with an office equipped with a telephone, which will be allocated a PIN code for accountability purposes. Ingwe TVET College will also provide the necessary parking bays for the successful Bidder.

10. BID PRICING STRUCTURE

The pricing should be split according to the following categories:

Internal Audit

- 10.1. The price evaluated shall include all local taxes and reimbursable expenses. Ingwe TVET College reserves the right not to accept the bidder with the lowest price.
- 10.2. The College Head office is based at Badibanise Administrative Area in Mt Frere and the service provider staff will not be reimbursed for travelling between the College and the place of stay. It is upon the successful bidder to look for a accommodation in close proximity to the College,
- 10.3. The successful bidder for Internal Audit is expected to have a Manager based in the College during the execution of audits.
- 10.4. The service provider must provide a comprehensive budget showing the service activities proposed and budgeted per activity. The budget should specify the hourly charge-out rates of staff members assigned to the project. All assumptions made in drawing the budget, including all cost factors such as substance and travelling must be detailed.
- 10.5. The service provider should include a breakdown of the hourly tariff applicable for any ad-hoc projects that maybe requested.
- 10.6. In supplying the quoted fees, the service provider may use the auditor general rates as guidelines.
- 10.7. Tariffs will be fixed for the first 12 months. Tariff adjustments will be allowed thereafter on an annual basis. Such adjustments will be linked to the inflation rate index therefore proof of increase must be submitted before the increase will be affected.
- 10.8. The service provider must motivate its proposal by referring to internal audit benchmarks in South Africa and International best practise for similar organization.
- 10.9. The college reserves the right to interview shortlisted bidders.

11. STRUCTURE

Year 1 - Completion of outstanding review

Designation	No of hours	Rate	Amount
Partner/Director	20		
Senior IA Manager	110		
IA Manager/Quality Assurance	150		
IA clerk	180		
IA Clerk	180		

Year 2 Start of Year 1

Designation	No of hours	Rate	Amount
Partner/Director	40		
Senior IA Manager	220		
IA Manager/Quality Assurance	300		
IA clerk	360		
IA Clerk	360		

Year 3- Start of year 2

Designation	No of hours	Rate	Amount
Partner/Director	40		
Senior IA Manager	220		
IA Manager/Quality Assurance	300		
IA clerk	360		
IA Clerk	360		

Year 4- Start of year 3

Designation	No of hours	Rate	Amount
Partner/Director	20		
Senior IA Manager	1100		
IA Manager/Quality Assurance	150		
IA clerk	180		
IA Clerk	180		

12. ELIMINATION CRITERIA

The service provider must:

1. Attend the compulsory briefing
2. The bid must include Tax Compliance Status (TCS) Pin
3. Bid proposers must complete and sign all the attached standard bidding documents (SBD 1, SBD 2, SBD 3.1 SBD 4, SBD 6.1, SBD 3.3)
4. Be registered in terms of the Public Accountants and Auditors Act, Act 80 of 1991 (PAAB) and of the Institute of Internal Auditors (IIA) or the Institute of Public Finance and Auditing (IPFA)
5. Provide the college of education with evidence that they have been Quality Assured by the Institute of Internal Auditors and that they generally comply with the IIA standards.
6. Provide proof of financial capacity

13. BID TERMS AND CONDITIONS

13.1 CONTENT OF BID PROPOSAL

The proposal should amongst other things include:

- 13.1.1 All relevant perceived strengths and weaknesses of the bidding firm for the service, e.g. similar previous experience, in-house skills etc., providing information which will assist the College to assess its capabilities, capacity, competitive advantages etc.
- 13.1.2 The summary of the Bidder's mission statement, the vision statement, values and long term strategies and objectives as comprehensively as possible.
- 13.1.3 A proposed plan of action to achieve the objectives of the three (3) functions. Such plan should cover short and medium term steps to manage the functions.

- 13.1.4 A list of references of previous and current appointments and their contact details to provide evidence of experience in performing internal audits in educational institutions.
- 13.1.5 Proof of valid membership of a relevant professional body and length of service provider's membership.
- 13.1.6 Provide evidence that the service provider has experience in performing internal audits of Departments and other government institutions. Provide three (3) relevant audit clients along with the names and telephone numbers of contact persons (please attach reference letters).
- 13.1.8 Ingwe TVET College utilises Pastel Evolution and encourages bidders to be in possession or indicate a plan to be in possession of a Pastel Evolution license or software
- 13.1.9 Provide details of staff training and development policies and procedures with specific mention of continuing professional accounting and auditing experience/ qualifications received by the proposed audit team during the last two years.
- 13.1.10 An organogram or list of partners, managers, specialists and clerks, together with the curriculum vitae (reflecting their public sector experience) of the staff who will be available for the duration of the work and their professional qualifications (minimum of 6 full time staff); any staff changes regarding staff allocated.
- 13.1.11 In so far as is possible, a comprehensive budget, showing the service activities proposed, with charge – out rates and budgeted hours per activity, detailing all assumptions made in arriving at a proposed budget, including all costs factors such as travelling

13.2 TERMINATION OF CONTRACT

The college will enter into an SLA and if the service provider fails to comply with its obligations in terms of the SLA, the college reserves a right to terminate the contract.

13.3 NON – COMMITMENT

13.3.1. The college reserves the right to withdraw or amend these terms of reference by notice in writing to all parties who have received the Bid Documentation prior to the closing date.

13.3.2. The cost of preparing bids will not be reimbursed.

13.3.3. Bid Proposal documentation submitted in time by the bidders shall not be returned and shall remain the property of the department.

14. VALIDITY OF PROPOSAL

The Bidder is required to confirm that it will hold its proposal valid for 90 days from the closing date of the submission of proposals, during which time it will maintain without change, the personnel proposed for the services together with their proposed rates.

Nothing as stipulated in these terms of reference may be amended without the written consent of the College Management.

FUNCTIONALITY		REQUIRED EVIDENCE	SCORE POINTS
1. Experience			
(a) Public Sector Internal Audit experience where the bidder has successfully undertaken in the past five years with maintained or improved audit outcome.			
More than 5 reference letters	35 points	<p>A minimum of at least three (03) reference letters from satisfied previous clients that have been serviced in the past five years, together with the signed appointment letter/s for each reference letter; the submission must be on the relevant client's letterhead and signed.</p> <p>Contact details of clients should be also provided.</p> <p>NB: 0 points will be claimed where the reference letter is not accompanied by the appointment letter and submitted clients/ references cannot be contacted.</p>	35
4 to 5 reference letters	20 points		
3- 4reference letters	10 points		
0-2 reference letters	0 points		
(b) TVET College Internal Auditing experience where the bidder has successfully undertaken in the past five years with maintained or improved audit outcome.			
02 or more reference letters	05 points	<p>A minimum of at least two (02) reference letters from satisfied previous clients that have been serviced in the past five years together with the signed appointment letter/s for each reference letter; the submission must be on the relevant client's letterhead and signed.</p> <p>Contact details of clients should also be provided.</p> <p>NB: 0 points will be claimed where the reference letter is not accompanied by the appointment letter and submitted clients/ references cannot be contacted.</p>	05
Less than two reference letters	0 points		
2. Expertise			
CV's, Qualifications and experience of the project team			
All CV's and qualifications of engagement attached according to the requirements	40 points	<p>Attach all CV's and certified copies (not later than six months) of IDs, qualifications and valid professional body registrations of the engagement team as follows:</p> <ul style="list-style-type: none"> ❖ Engagement Director CA/CIA- 12 years' work experience and above. ❖ Engagement Manager CA/CIA/CIMA- 5 years' work experience and above. ❖ Project leader CIA/PIA and membership of IIA- 3 years' work experience and above. 	40
CV's and qualifications of engagement team not fully attached according to the requirements	0 points		

		<p>❖ Engagement staff minimum of two (02) with Btech/ Bcom (NQF L7 in Auditing or related field)- 2 years' experience or above and membership of IIA</p> <p>NB: 0 point will be claimed if the bidder failed to submit all the above requirements</p>	
3. Methodology			
Methodology are fully adequate to meet the requirements of the assignment	10 points	Appropriateness of the tools used by the bidder and how will they satisfy the requirements of the assignment. The methodology should cover the following aspects: Financial Audits ICT Audits AFS GRAP Audits Proposed audit plan with timelines	10
Methodology and approach covers minimum requirements	05 points		
Inadequate methods and approach	0 points		
4. Transfer of skills to College personnel			
Attached plan fully covers the requirements of the assignment	10 points	Proper and detailed plan on imparting skills to the personnel as well as plans to create capacity of the unit	10
Attached plan covers the minimum requirements	05 points		
No plan on imparting skills to the personnel as well as plan to create capacity of the unit	0 points		
TOTAL			100 POINTS

TAX CLEARANCE CERTIFICATE REQUIREMENTS

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

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

PRICING SCHEDULE
(Professional Services)

Name of Bidder:.....	Bid Number:
Closing Time:	Closing Date

OFFER TO BE VALID FORDAYS FROM THE CLOSING DATE OF BID.

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY INCLUSIVE OF VALUE ADDED TAX
------------	-------------	---

1. The accompanying information must be used for the Formulation of proposals.
2. Bidders are required to indicate a ceiling price based on the total estimated estimated time for completion of all phases and including all expenses inclusive of VAT for the project R.....

3. PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)

4. PERSON AND POSITION	HOURLY RATE	DAILY RATE
-----	R-----	R-----
-----	R-----	R-----
-----	R-----	R-----
-----	R-----	R-----
-----	R-----	R-----

5. PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

-----	R-----	----- days
-----	R-----	----- days
-----	R-----	----- days
-----	R-----	----- days-

5.1 Travel expenses (specify, for example rate/km and total km, class of air travel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.

DESCRIPTION INCURRED RATE	OF	EXPENSE	TO QUANTITY	BE AMOUNT

.....		R.....	

.....		R.....	

.....		R.....	

.....		R.....	
				TOTAL: R.....

5.2 Other expenses, for example accommodation (specify, eg. Three-star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

DESCRIPTION INCURRED RATE	OF QUANTITY	EXPENSE	TO AMOUNT	BE

.....		R.....	

.....	R.....

.....	R.....

.....	R.....
		TOTAL.....

6. Period required for commencement with project after acceptance of bid.....

7. Estimated man-days for completion of project

8. Are the rates quoted firm for the full period of contract.....

9. If not firm for the full period, provide details of the basis on which Adjustments will be applied for, example consumer price index

.....

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

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

2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....
.....

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

2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATIONS

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

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

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

3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

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

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME

IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF

2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY

CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE

TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of bidder

INGWE TVET COLLEGE PREFERENCE POINTS (SPECIFIC GOALS)
CLAIM FORM IN TERMS OF THE SUPPLY CHAIN MANAGEMENT
POLICY

1. PURPOSE

- 1.1. The purpose of this memo is to provide internal guidance on the implementation and application of New preferential Procurement regulations of 2022 issued in terms of section 5 of the Preferential Procurement Policy Framework Act, Act Number 5 of 2000 (PPPFA) by National Treasury.
- 1.2. To request the Accounting Officer to approve guideline on implementation of New Preferential Procurement Regulation of 2022 as an annexure while amending the SCM policy and its procedures.

2. BACKGROUND

- 2.1. On 4 November 2022, the Minister of Finance gazetted new Preferential Procurement Regulations (2022 Regulations) under the Preferential Procurement Policy Framework Act, 2000 (PPPFA),
- 2.2. The aim of new regulations is to ensure that PPR are aligned with February 2022 Constitutional Court judgement.
- 2.3. The purpose then of the 2022 Regulations is to:
 - comply with Section 217 of the Constitution on procurement of goods and services by organs of state.
 - comply with the PPPFA of 2000.
 - comply with the Constitutional Court judgement of February 2022, on the 2017 Regulations
- 2.4. The Public Procurement Bill is being finalized, which will empower the Minister of Finance to set preferential procurement, the 2022 Regulations repeal the 2017 Regulations and take effect on 16 January 2023. In essence, the 2022 Regulations are a placeholder whilst the Bill is being finalized. The Minister of Finance, as well as the National Treasury and the Government, remain wholly committed to transformation and empowerment as envisioned in the Constitution. A Supply Chain Management Policy factoring the application of the Preferential Procurement Regulations 2022 has been approved.
- 2.5. The new regulations empower organs of state to have their own approach to preferential procurement in order to address past injustices and protection of people who are unfairly disadvantaged

2.6. Organs of state, are required to determine their own preferential procurement policies in accordance with section 2 of the PPPFA and the thresholds and formula prescribed in the 2022 Regulations.

2.7. Ingwe TVET College SCM is in a process of amending SCM policy and procedure to ensure that it is aligned with the New Preferential Procurement Regulations of 2022.

3. Preference point system.

3.1. Definitions

3.1.1. Historically Disadvantaged Individual” (HDI) is defined as a South African citizen – 1) who, due to the apartheid policy that was in place, had no voting rights in the national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act No. 100 of 1983) or the Constitution of the Republic of South Africa, 1993 (Act No. 200 of 1993) (“the interim Constitution”), and/or 2) who is a woman, and/or 3) who has a disability With the understanding that any person who received South African citizenship on or before the introduction of the interim Constitution, will not be deemed to be HDI.

3.1.2. A woman” refers to a female person who is a South African citizen

3.1.3. Disability” refers to a person with a permanent physical disability, mental disability, awareness disability, which leads to confinement or disability, or the inability to perform bodily functions in the manner or within the capacity of a normal person, as defined in the Code of Good Practice on employment of people with disabilities issued under the Employment Equity Act

3.1.4. Black people who are youth as defined in the National Youth Commission Act of 1996

3.1.5. HDI equity ownership” refers to the percentage of a partnership or business that is owned by individuals, or in the case of a company, the percentage of shares which is owned by individuals who are actively involved in the management decisions and day to day operational activities of the company or business and who exercises control in the business in relation to their ownership at the close of tender. Where individuals are not actively involved in the management and day to day operational activities of the business and who does not exercise control in relation to the percentage of their ownership, Equity ownership points cannot be awarded.

3.2. Application of preference points for the acquisition of good and services

3.2.1. The 80/20 preference point system is applicable to price quotations and tenders with a Rand value below or equal to R50 million (all applicable taxes included).

3.2.2. 80/20 preference point system for acquisition of goods or services with Rand value equal to or below R50 million, the following formula must be used to calculate the points out of 80 for price in respect of an invitation for a tender with a Rand value equal to or below R50 million, inclusive of all applicable taxes

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

Where.

P_s = Points scored for price of tender under consideration

P_t = Price of tender under consideration; and

P_{min} = Price of lowest acceptable tender.

3.2.2.1. A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender. For Ingwe TVET College points for specific goals will be linked with integrated development programme objectives.

Table 1 :

TRANSACTIONS WITH VALUE ABOVE R 30 000 AND UP TO R 500 000.00 (INCLUSIVE OF ALL APPLICABLE TAXES) THE FOLLOWING SPECIFIC GOALS SHALL BE APPLICABLE:

Specific goals	Preference Points allocated out of 20	Documentation to be submitted by bidders to validate their claim for points
Black ownership: An EME or QSE which is at least 51% owned by black people	8	<ul style="list-style-type: none"> • ID Copy • CIPC (Company registration) • CSD report (the ownership status of the 2 documents must correspond in order to be awarded points)
Women ownership: An EME or QSE which is at least 51% owned by women.	4	<ul style="list-style-type: none"> • ID Copy • CIPC (Company registration) • CSD report (the ownership status of the 2 documents must

		correspond in order to be awarded points)
Youth ownership: An EME or QSE which is at least 51% owned by youth. (Up to 35 years of age)	4	<ul style="list-style-type: none"> • ID Copy • CIPC (Company registration) • CSD report (the ownership status of the 2 documents must correspond in order to be awarded points) • Medical certificate.
Disability: An EME or QSE which is at least 51% owned by people with disability	2	<ul style="list-style-type: none"> • ID Copy • CIPC (Company registration) • CSD report (the ownership status of the 2 documents must correspond in order to be awarded points) • Medical certificate • SASSA registration or confirmation of disability from a relevant authority.
Locality: Located in the OR Tambo District municipality, Alfred Nzo District Municipality, and the Joe Gqabi District Municipality.	2	<ul style="list-style-type: none"> • Municipal rates account OR • Letter from councilor confirming residence OR • Lease Agreement
Non - submissions	0	<ul style="list-style-type: none"> • No points will be claimed if the bidders failed the required documents

Table 2 :

TRANSACTIONS WITH VALUE ABOVE R 500 001.00 AND UP TO R 50 MILLION (INCLUSIVE OF ALL APPLICABLE TAXES) THE FOLLOWING SPECIFIC GOALS SHALL BE APPLICABLE:

Specific goals	Preference Points allocated out of 20	Documentation to be submitted by bidders to validate their claim for points
Black ownership: An EME or QSE which is at least 51% owned by black people.	6	<ul style="list-style-type: none"> • ID Copy • CIPC (Company registration) • CSD report (the ownership status of the 2 documents must correspond in order to be awarded points)
Women ownership: An EME or QSE which is at least 51% owned by women.	4	<ul style="list-style-type: none"> • ID Copy • CIPC (Company registration) • CSD report (the ownership status of the 2 documents must correspond in order to be awarded points)
Youth ownership: An EME or QSE which is at least 51% owned by youth. (Up to 35 years of age).	4	<ul style="list-style-type: none"> • ID Copy • CIPC (Company registration) • CSD report (the ownership status of the 2 documents must correspond in order to be awarded points)
Disability: An EME or QSE which is at least 51% owned by people with disability.	2	<ul style="list-style-type: none"> • ID Copy • CIPC (Company registration) • CSD report (the ownership status of the 2

		documents must correspond in order to be awarded points) <ul style="list-style-type: none"> • Medical certificate • SASSA registration or confirmation of disability from a relevant authority.
Locality: Located in the OR Tambo District municipality, Alfred Nzo District Municipality, and the Joe Gqabi District Municipality.	4	<ul style="list-style-type: none"> • Municipal rates account OR • Letter from councilor confirming residence OR • Lease Agreement
Non - submissions	0	<ul style="list-style-type: none"> • No points will be claimed if the bidders failed the required documents.

3.2.2.2. The specification committee in consultation with director of the department will select applicable specific goals guided by procurement plan and integrated development plan of the municipality. At a particular point in time the specification committee must select not less than 3 specific goals indicated above and of the selected specific goals non will have more than 50% of the total maximum points as per sec 3.2.21 above

3.2.2.3. The following formula must be applied to calculate the number of points for specific goals:

$$NEP = NOP \times \frac{EP}{100}$$

Where

NEP = Points awarded for specific goal

NOP= The maximum number of points awarded for specific goals

EP = The percentage of equity ownership for specific goal

3.2.3. The 90/10 preference point system is applicable to bids with a Rand value above R50 million (all applicable taxes included).

3.2.4. 90/10 preference point system for acquisition of goods or services with Rand value **a Rand value above R50 million (all applicable taxes included)**, the following formula must be used to calculate

the points out of 80 for price in respect of an invitation for a tender with a Rand value equal to or below R50 million, inclusive of all applicable taxes

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

Where.

P_s = Points scored for price of tender under consideration

P_t = Price of tender under consideration; and

P_{min} = Price of lowest acceptable tender.

3.2.4.1. A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender. For INGWE TVET COLLEGE points for specific goals will be linked with integrated development programme objectives.

Table 3

FOR TRANSACTIONS WITH VALUE ABOVE R 50 MILLION (INCLUSIVE OF ALL APPLICABLE TAXES) THE FOLLOWING SPECIFIC GOALS SHALL BE APPLICABLE:

Specific goals	Preference Points allocated out of 20	Documentation to be submitted by bidders to validate their claim for points
Black ownership: An EME or QSE which is at least 51% owned by black people.	3	<ul style="list-style-type: none"> • ID Copy • CIPC (Company registration) • CSD report (the ownership status of the 2 documents must correspond in order to be awarded points)
Women ownership: An EME or QSE which is at least 51% owned by women.	2	<ul style="list-style-type: none"> • ID Copy • CIPC (Company registration) • CSD report (the ownership status of the 2 documents must correspond in order to be awarded points)

Youth ownership: An EME or QSE which is at least 51% owned by youth. (Up to 35 years of age).	2	<ul style="list-style-type: none"> • ID Copy • CIPC (Company registration) • CSD report (the ownership status of the 2 documents must correspond in order to be awarded points).
Disability: An EME or QSE which is at least 51% owned by people with disability.	1	<ul style="list-style-type: none"> • ID Copy • CIPC (Company registration) • CSD report (the ownership status of the 2 documents must correspond in order to be awarded points)
Locality: Located in the OR Tambo District municipality, Alfred Nzo District Municipality, and the Joe Gqabi District Municipality.	2	<ul style="list-style-type: none"> • Municipal rates account OR • Letter from councillor confirming residence OR • Lease Agreement
Non - Submissions	0	<ul style="list-style-type: none"> • No points will be claimed if the bidders failed the required documents.

3.2.4.2. The specific goals will be calculated as per 3.2.2.3 and 3.2.2.2 will apply for selection of specific goals

3.2.5. The points scored for the specific goal must be added to the points scored or price and the total must be rounded off to the nearest two decimal places.

3.2.6. (4) Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

3.3. Invitation of tenders for income generating contracts

3.2.1 Either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system;

3.2.2 80/20 preference points system for tenders for income-generating contracts with Rand value equal to or below R50 million

3.2.2.1 The following formula must be used to calculate the points for price in respect of an invitation for tender for income-generating contracts, with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

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

Where-

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmax = Price of highest acceptable tender.

3.2.2.2 A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender. Allocation will be as per 3.1.2.1

3.2.2.3 The specific goals will be calculated as per 3.1.2.2

3.2.3 90/10 preference point system for tenders for income-generating contracts with Rand value above R50 million

3.2.3.1 The following formula must be used to calculate the points for price in respect of a tender for income-generating contracts, with a Rand value above R50 million, inclusive of all applicable taxes:

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

Where-

Ps = Points scored for price of tender under consideration.

Pt = Price of tender under consideration; and

Pmax = Price of highest acceptable tender.

- 3.2.4. The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
- 3.2.5. Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.
- 3.4. Any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system.
- 3.5. Ingwe TVET College will use Central supplier database to confirm ownership of the companies and Suppliers will also need complete MBD 6.1 to support information on CSD.

4. LEGAL IMPLICATIONS

- 4.1. The New Preferential Regulations of 2022 takes effect on 16 January 2023
- 4.2. Revised SCM policy and its procedures to be approved.
- 4.3. The Preferential Procurement Regulations, 2017 published in Government No. 40553 of 20 January 2017, are hereby repealed with effect from 16th of January 2023
- 4.4. Any tender advertised before the date referred to in regulation 11 must be dealt with in terms of the Preferential Procurement Regulations, 2017.

INGWE TVET COLLEGE

CONTRACT CONDITIONS

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to College bids, contracts and orders;
- (ii) To ensure that prospective tenderers or bidders are familiar with the rights and obligations of all parties involved in doing business with the College;
- (iii) To set out the conditions applicable to all tenders or bids submitted to the college in response to an invitation to submit a tender, bid or quotation, as may be applicable:

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

- Any specification issued by the college for the supply of goods or services is subject to the relevant terms and conditions contained herein.
- These General Conditions of Contract will form part of all bid documents.
- Special Conditions of Contract (SCC) relevant to a specific bid, will 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.

A. CONDITIONS APPLYING TO ALL SPECIFICATIONS

All specifications for goods and services to be procured by the college shall, except where otherwise stated in any specific specification, be subject to the following requirements and conditions:

1. Functionality

Where functionality is utilized as an evaluation criterion, no tender will be regarded as an acceptable tender if it fails to achieve the minimum stipulated qualifying score for functionality and only tenders that have achieved this score will be evaluated further in terms of the preference point systems referred to below.

2. 80/20 Preference Point System

2.1 The under-mentioned preference points evaluation system for the acquisition of services, works or goods up to a Rand value of R50 000 000 (all applicable taxes included) will be applied with regard to the evaluation of tenders falling within this threshold amount:

- (i) the following formula will be used to calculate the points for price in respect of tenders (including price quotations) with a Rand value equal to, or above R 30 000 and up to a Rand value of R50 000 000 (all applicable taxes included):

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

Where

Ps = Points scored for comparative price of tender or offer under consideration;

Pt = Comparative price of tender or offer under consideration; and

Pmin = Comparative price of lowest acceptable tender or offer.

- (ii) subject to subparagraph (iii), points must be awarded to a tenderer for attaining the specific goals in accordance with the following table:

SPECIFIC GOAL POINTS BREAKDOWN

SPECIFIC GOALS	PREFERENCE POINTS ALLOCATED OUT OF 20	DOCUMENTATION TO BE SUBMITTED BY BIDDERS TO VALIDATE THEIR CLAIM FOR POINTS
Black ownership: An EME or QSE which is at least 51% owned by black people	8	<ul style="list-style-type: none"> ID Copy CIPC (Company registration) CSD report (the ownership status of the 2 documents must correspond to be awarded points)
Women ownership: An EME or QSE which is at least 51% owned by women	4	<ul style="list-style-type: none"> ID Copy CIPC (Company registration) CSD report (the ownership status of the 2 documents must correspond to be awarded points)
Youth ownership: An EME or QSE which is at least 51% owned by youth. (Up to 35 years of age)	4	<ul style="list-style-type: none"> ID Copy CIPC (Company registration) CSD report (the ownership status of the 2 documents must correspond to be awarded points)

Disability: An EME or QSE which is at least 51% owned by people with disability	2	<ul style="list-style-type: none"> • ID Copy • CIPC (Company registration) • CSD report (the ownership status of the 2 documents must correspond to be awarded points) • Medical certificate • SASSA registration or confirmation of disability from a relevant authority.
Locality: Located in the OR Tambo District municipality, Alfred Nzo District Municipality, and the Joe Gqabi District Municipality	2	<ul style="list-style-type: none"> • Municipal rates account OR • Letter from councilor confirming residence or Lease Agreement
Non – submissions	0	<ul style="list-style-type: none"> • No points will be claimed if the bidders failed to submit the required documents

(iii) a maximum of 20 points may be allocated under subparagraph (ii);

(iv) the points scored by a tenderer in respect of specific goals contemplated in subparagraph (ii) must be added to the points scored for price as calculated in accordance with subparagraph (i).

2.2 In the event of all tenders received exceeding the estimated Rand value of R50 000 000, the tender invitation will be cancelled, provided that, if one or more of the acceptable tenders received are within the aforesaid threshold of R50 000 000, all tenders received will be evaluated in accordance with this preference point system.

2.2 The specific goals attained by a tenderer will be used to determine the number of points contemplated in subparagraph 2.1 (ii) above.

3. 90/10 Preference Point System

3.1 The under-mentioned preference points evaluation system for the acquisition of services, works or goods with a Rand value above R50 000 000 (all applicable taxes included) will be applied regarding the evaluation of tenders above this threshold amount:

(i) the following formula will be used to calculate the points for price in respect of tenders with a Rand value above R50 000 000 (all applicable taxes included):

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

Where

P_s = Points scored for comparative price of tender or offer under consideration;

P_t = Comparative price of tender or offer under consideration; and

P_{min} = Comparative price of lowest acceptable tender or offer.

(ii) subject to subparagraph (iii), points must be awarded to a tenderer for attaining the specific goals in accordance with the following table:

SPECIFIC GOAL POINTS BREAKDOWN

SPECIFIC GOALS	PREFERENCE POINTS ALLOCATED OUT OF 20	DOCUMENTATION TO BE SUBMITTED BY BIDDERS TO VALIDATE THEIR CLAIM FOR POINTS
Black ownership: An EME or QSE which is at least 51% owned by black people	8	<ul style="list-style-type: none"> • ID Copy • CIPC (Company registration) • CSD report (the ownership status of the 2 documents must correspond to be awarded points)
Women ownership: An EME or QSE which is at least 51% owned by women	4	<ul style="list-style-type: none"> • ID Copy • CIPC (Company registration) • CSD report (the ownership status of the 2 documents must correspond to be awarded points)
Youth ownership: An EME or QSE which is at least 51% owned by youth. (Up to 35 years of age)	4	<ul style="list-style-type: none"> • ID Copy • CIPC (Company registration) • CSD report (the ownership status of the 2 documents must correspond to be awarded points)
Disability: An EME or QSE which is at least 51% owned by people with disability	2	<ul style="list-style-type: none"> • ID Copy • CIPC (Company registration) • CSD report (the ownership status of the 2 documents must correspond to be awarded points) • Medical certificate • SASSA registration or confirmation of disability from a relevant authority.
Locality: Located in the OR Tambo District municipality, Alfred Nzo District Municipality, and the Joe Gqabi District Municipality	2	<ul style="list-style-type: none"> • Municipal rates account OR • Letter from councilor confirming residence or Lease Agreement
Non – submissions	0	<ul style="list-style-type: none"> • No points will be claimed if the bidders failed to submit the required documents

- (iii) a maximum of 10 points may be allocated under subparagraph (ii);
- (iv) the points scored by a tenderer in respect of the specific goals contemplated in subparagraph (ii) must be added to the points scored for price as calculated in accordance with subparagraph (i).

3.2 In the event of all tenders received being equal to, or below R500 000, the invitation to tender will be withdrawn and all tenders received shall be regarded as having been cancelled provided that, if one or more of the acceptable tenders received are above the prescribed threshold of R500 000, all tenders received will be evaluated in accordance with this preference point system.

3.3 The specific goals attained by a tenderer must be used to determine the number of points contemplated in subparagraph 3.1 (ii) above.

4. Specific goals

.1 Where a bidder is required to attain a specified specific goal or goals other than contracting with historically disadvantaged persons and implementing Reconstruction and Development Programmes in order to qualify for the award of a contract, such bidder must provide the required information to enable the bid evaluation committee to determine whether or not such specific goal or goals will be attained by the bidder concerned in the event of him/her or it being awarded the relevant contract.

8. Miscellaneous conditions

8.1 Only tenderers who have completed and signed the declaration part of any tender documentation will be considered when tenders are evaluated.

8.2 When comparative prices must be calculated, any discounts which have been offered unconditionally will be taken into account.

8.3 A discount which has been offered conditionally will, despite not being taken into account for evaluation purposes, be implemented when payment to a tenderer in respect of an accepted tender is effected.

8.3 Bid evaluation points scored will be rounded off to the nearest 2 decimal places.

8.4 Equal point scoring:

- (i) In the event that two or more tenders score equal total points, the successful tender will be the one scoring the highest number of preference points for Specific goals.
- (ii) However, when functionality is part of the evaluation process and two or more tenders have scored equal points including equal preference points for SPECIFIC GOALS, the successful tender will be the one scoring the highest score for functionality;
- (iii) Should two or more tenders be equal in all respects, the award shall be decided by the drawing of lots in accordance with the applicable regulations of the College.

9. Cancelling a tender

9.1 The accounting officer may, prior to the award of a tender, by notice in the media in which the original tender was advertised, cancel such tender if, due to changed circumstances, there is no longer a need for the services, works or goods requested or if funds are no longer available to cover the total envisaged expenditure or if no acceptable tenders are received.

10. Declarations

A tenderer must -

- (a) declare that the information provided in a tender document is true and correct;
- (b) declare that the signatory to a tender document is duly authorized; and
- (c) undertake to submit documentary proof regarding any tendering issue when required to the satisfaction of the College.

11. Remedies

11.1 A tenderer who submits a tender acknowledges thereby that:

- (a) The college will, upon detecting that the SPECIFIC GOALS status has been claimed or obtained by a tenderer on a fraudulent basis or any of the conditions of a contract awarded to such tenderer or contractor have not been fulfilled, act against such tenderer or person awarded the ensuing contract.
- (b) The college may, in addition to any other remedy it may have against the person contemplated in subparagraph (a)-
 - (i) disqualify the person concerned from participating in any future tender process with the College;

- (ii) recover all costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (iii) cancel the relevant contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
- (c) The college may restrict a tenderer or contractor, its shareholders and directors, or only the shareholders and directors, as the case may be, who acted on a fraudulent basis in connection with a tender, from obtaining business from the college for a period not exceeding 10 years, provided that, before exercising this right, the college shall give the persons or parties concerned an opportunity to make representations and be heard in defence of such contemplated action; and
- (d) The college may refer any fraudulent action on the part of a tenderer or contractor or any party aforesaid to the South African Police Services with a view to criminal prosecution.
- (e) Where a tenderer or contractor is restricted in terms of subparagraph (c), the accounting officer will forward the relevant details to National Treasury for inclusion in the Central Database of Restricted Suppliers.
- (f) The college will check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
- (g) The college will reject any bid from a bidder -
 - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the College, or to any other college or municipal entity, are in arrears for more than three months; or
 - (ii) who during the last five years has failed to perform satisfactorily on a previous contract with the college or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
- (e) The college will reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, committed a corrupt or fraudulent act in competing for the particular contract;
- (f) The college will cancel a contract awarded to a person if -
 - (i) such person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and

- (g)** The college will reject the bid of any bidder if that bidder or any of its directors -
- (i)** has abused the supply chain management system of the college or has committed any improper conduct in relation to such system;
 - (ii)** has been convicted for fraud or corruption during the past five years;
 - (ii)** has willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years;
 - (iii)** has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004); and
 - (iv)** who, in terms of any applicable law, is required to be possession of a current licence, registration certificate or authority to submit a bid in response to a bid invitation by the College.
- (h)** The college will reject a bid from any bidder who failed to attend a compulsory site meeting or information session relative to a particular invitation to bid

B. GENERAL CONDITIONS OF CONTRACT

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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 consignee’s 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 markets 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 Ingwe TVET College or any other agency or body on whose behalf it has been authorized to procure goods and services and includes the accounting officer of this college or his nominee.
- 1.22 **“Republic”** means the Republic of South Africa.
- 1.23 **“SCC”** means the Special Conditions of Contract.
- 1.24 **“Services”** means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.25 **“State”** includes the College;
- 1.26 **“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 local press or accessed electronically or in hard copy form from the college upon payment of x any prescribed fee.

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 and also 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 insofar 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 college or an organization acting on behalf of the College.

8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

- 8.4** If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5** Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6** Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7** Any contract supplies may, on or after delivery, be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal, the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.
- 8.8** The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof or to act in terms of Clause 23 of GCC.

9. Packing

- 9.1** The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
- 9.2** The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

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

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

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

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

14. Spare parts

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

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

15. Warranty

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

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

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

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

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment

16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.

16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.

16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an acceptable invoice or claim by the supplier.

16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.

18. Contract amendments

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

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.

21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration

and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.

21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

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

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

22. Penalties

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

23. Termination for default

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

- (a)** if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- (b)** if the supplier fails to perform any other obligation(s) under the contract; or

(c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

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

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

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

23.5 Any restriction imposed on any person by the Accounting Officer will, at the discretion of the Accounting Officer, 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 any such increase.

When, after the said date, such a provisional payment is no longer required or any such antidumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favorable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him

25. Force Majeure

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

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

26. Termination for insolvency

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

27. Settlement of Disputes

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

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

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

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

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

(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and

(b) the purchaser shall pay the supplier any monies due the supplier.

28. Limitation of liability

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

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

(c) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

29. Governing language

29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

30. Applicable law

30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.

31. Notices

31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice.

31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

32. Taxes and duties

32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid, the college 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.

PAST EXPERIENCE

Bidders must furnish hereunder details of similar works/service, which they have satisfactorily completed in the past. The information shall include a description of the Works, the Contract value and name of Employer.

EMPLOYER /INSTITUTION NAME	NATURE OF WORK/ PROJECT NAME	AWARDED AMOUNT	ANTICIPATED / ACTUAL COMPLETION DATE	EMPLOYER CONTACT NO.

.....
DATE

.....
SIGNATURE OF BIDDER

PAST EXPERIENCE 2

Bidders must furnish hereunder details of similar works/service, which they have satisfactorily completed in the past. The information shall include a description of the Works, the Contract value and name of Employer.

CURRENT PROJECTS UNDERTAKEN FOR INGWE TVET COLLEGE			
PROJECT NAME	AWARDED AMOUNT	CONTRACT START DATE	ANTICIPATED / ACTUAL COMPLETION DATE
TOTAL AMOUNT OF PROJECTS CURRENTLY UNDERTAKEN FOR INGWE TVET COLLEGE			R

.....
DATE

.....
SIGNATURE OF BIDDER

