

## PART A INVITATION TO BID

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (DEPARTMENT OF AGRICULTURE FORESTRY AND FISHERIES)</b>				
BID NUMBER:	4.4.12.4/18/17	CLOSING DATE:	04 MAY 2018	CLOSING TIME: 11:00
DESCRIPTION	THE APPOINTMENT OF A SERVICE PROVIDER FOR ECONOMETRIC AND ECONOMIC MODELLING SERVICES PARTNERING AND CAPACITY BUILDING.			
<b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</b>				

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

Department of Agriculture Forestry and Fisheries, Agriculture Place Main Entrance  
Tender Receipt Office , Room no: A-GF-06  
20 Steve Biko Road. Arcadia  
Pretoria

### SUPPLIER INFORMATION

NAME OF BIDDER			
POSTAL ADDRESS			
STREET ADDRESS			
TELEPHONE NUMBER	CODE	NUMBER	
CELLPHONE NUMBER			
FACSIMILE NUMBER	CODE	NUMBER	
E-MAIL ADDRESS			
VAT REGISTRATION NUMBER			
		TCS PIN:	
		OR	CSD No:
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]		<input type="checkbox"/> Yes <input type="checkbox"/> No	B-BBEE STATUS LEVEL SWORN AFFIDAVIT <input type="checkbox"/> Yes <input type="checkbox"/> No
IF YES, WHO WAS THE CERTIFICATE ISSUED BY?			
AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)		<input type="checkbox"/>	
A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS)		<input type="checkbox"/>	
A REGISTERED AUDITOR		<input type="checkbox"/>	
NAME:			
<b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT(FOR EMEs&amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b>			
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ANSWER PART B:3 BELOW ]
SIGNATURE OF BIDDER	.....	DATE	
CAPACITY UNDER WHICH THIS BID IS SIGNED (Attach proof of authority to sign this bid; e.g. resolution of directors, etc.)			
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE (ALL INCLUSIVE)	
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>		<b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>	
DEPARTMENT/ PUBLIC ENTITY	Agriculture	CONTACT PERSON	Ezra Steenkamp/Ellen Matsei
CONTACT PERSON	Dikeledi Mohlala	TELEPHONE NUMBER	012 319 8452/319 8454
TELEPHONE NUMBER	012 319 7129	FACSIMILE NUMBER	012 319 8031
FACSIMILE NUMBER		E-MAIL ADDRESS	EzraS@daff.gov.za/DAS@daff.gov.za

**PART B**  
**TERMS AND CONDITIONS FOR BIDDING**

<b>1. BID SUBMISSION:</b>	
1.1.	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2.	ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE
1.3.	BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: ( BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.
1.4.	WHERE A BIDDER IS NOT REGISTERED ON THE CSD, MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS MAY NOT BE SUBMITTED WITH THE BID DOCUMENTATION. B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.
1.5.	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER LEGISLATION OR SPECIAL CONDITIONS OF CONTRACT.
<b>2. TAX COMPLIANCE REQUIREMENTS</b>	
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
2.4	BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.
2.5	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.
2.6	WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
<b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>	
3.1.	IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>
3.2.	DOES THE BIDDER HAVE A BRANCH IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>
3.3.	DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>
3.4.	DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TAX COMPLIANCE STATUS / TAX COMPLIANCE SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.	

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

**PRICING SCHEDULE –FIRM PRICES**

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

NAME OF SERVICE PROVIDER: .....	BID NO.: 4.4.12.4/18/17
CLOSING TIME 11:00 ON	

OFFER TO BE VALID FOR **90 DAYS (UNTIL 03 AUGUST 2018)** FROM THE CLOSING DATE OF BID.

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY INCLUSIVE OF VALUE ADDED TAX
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**APPOINTMENT OF A SERVICE PROVIDER FOR ECONOMETRIC AND ECONOMIC MODELLING SERVICES PARTNERING AND CAPABILITY BUILDING.**

- 1. First Year R...../total price
- 2. Second Year R...../total price
- 3. Third Year R...../total price

**TOTAL PRICE INCLUDING VAT FOR THREE (3) YEARS R.....**

Period required for commencement of project after receipt of an official order .....

Does the offer comply with the specification(s)	<b>Yes / No</b>
If not to specification, indicate deviation(s)	.....
Period required for delivery	.....
	*Delivery: Firm / Not Firm
Did you submit a Valid Certificate B-BBEE/Sworn affidavit	.....
B-BBEE Status Level of Contribution	..... = .....
	(A maximum of 20 points)

**Technical enquiries can be directed to:**  
 Mr. Ezra Steenkamp/Ms. Ellen Matsei  
 Tel: 012 319 8452/8454  
 Email: EzraS@daff.gov.za/DSEA@daff.gov.za

**General enquiries**  
 Ms. Dikeledi Mohlala  
 Tel. no. 012 319 7129  
 Email: DikelediL@daff.gov.za

## SBD 4

## DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state<sup>1</sup>, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes an advertised competitive bid, a limited bid, a proposal or written price quotation). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-
- the bidder is employed by the state; and/or
  - the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.
2. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**
- 2.1 Full Name of bidder or his or her representative: .....
- 2.2 Identity Number:.....
- 2.3 Position occupied in the Company (director, trustee, shareholder<sup>2</sup>, member): .....
- 2.4 Registration number of company, enterprise, close corporation, partnership agreement or trust: .....
- 2.5 Tax Reference Number: .....
- 2.6 VAT Registration Number: .....
- 2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / PERSAL numbers must be indicated in paragraph 3 below.
- <sup>1</sup>"State" means –
- (a) any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
  - (b) any municipality or municipal entity;
  - (c) provincial legislature;
  - (d) national Assembly or the national Council of provinces; or
  - (e) Parliament.

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

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

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member: .....

Name of state institution at which you or the person connected to the bidder is employed : .....

Position occupied in the state institution: .....

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

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

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

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

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

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

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

2.8.1 If so, furnish particulars:  
.....  
.....  
.....

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

2.9.1 If so, furnish particulars.  
.....



**4 DECLARATION**

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

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

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of bidder

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

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

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

**1. GENERAL CONDITIONS**

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

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

1.2

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

1.3 Points for this bid shall be awarded for:

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

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

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

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.



## 2. DEFINITIONS

- (a) “**B-BBEE**” means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) “**B-BBEE status level of contributor**” means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) “**bid**” means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) “**Broad-Based Black Economic Empowerment Act**” means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) “**EME**” means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) “**functionality**” means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) “**prices**” includes all applicable taxes less all unconditional discounts;
- (h) “**proof of B-BBEE status level of contributor**” means:
  - 1) B-BBEE Status level certificate issued by an authorized body or person;
  - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
  - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) “**QSE**” means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) “**rand value**” means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

## 3. POINTS AWARDED FOR PRICE

### 3.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

**80/20**

**or**

**90/10**

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

Where

$P_s$  = Points scored for price of bid under consideration

$P_t$  = Price of bid under consideration

$P_{\min}$  = Price of lowest acceptable bid

## 4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

- 4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

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

## 5. BID DECLARATION

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

## 6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

6.1 B-BBEE Status Level of Contributor:                    =                    .....(maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

## 7. SUB-CONTRACTING

7.1 Will any portion of the contract be sub-contracted?

(Tick applicable box)

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

7.1.1 If yes, indicate:

i) What                    percentage                    of                    the                    contract                    will                    be subcontracted.....%

ii) The                    name                    of                    the                    sub-contractor.....

iii) The                    B-BBEE                    status                    level                    of                    the                    sub-contractor.....

iv) Whether the sub-contractor is an EME or QSE

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
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v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations,2017:

Designated Group: An EME or QSE which is at least 51% owned by:	EME √	QSE √
Black people		
Black people who are youth		
Black people who are women		

Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
<b>OR</b>		
Any EME		
Any QSE		

**8. DECLARATION WITH REGARD TO COMPANY/FIRM**

8.1 Name of company/firm:.....

8.2 VAT registration number:.....

8.3 Company registration number:.....

**8.4 TYPE OF COMPANY/ FIRM**

- Partnership/Joint Venture / Consortium
- One person business/sole propriety
- Close corporation
- Company
- (Pty) Limited

[TICK APPLICABLE BOX]

**8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES**

.....

.....

.....

.....

.....

**8.6 COMPANY CLASSIFICATION**

- Manufacturer
- Supplier
- Professional service provider
- Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

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

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
  - (a) disqualify the person from the bidding process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
  - (e) forward the matter for criminal prosecution.

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

<p>.....</p> <p>SIGNATURE(S) OF BIDDERS(S)</p> <p>DATE: .....</p> <p>ADDRESS .....</p> <p>.....</p> <p>.....</p>
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## DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Standard Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by institutions in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be disregarded if that bidder, or any of its directors have-
  - a. abused the institution's supply chain management system;
  - b. committed fraud or any other improper conduct in relation to such system; or
  - c. failed to perform on any previous contract.
- 4 ~~In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.~~

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

4.4	Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		

SBD 8

**CERTIFICATION**

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

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

.....  
**Signature**

.....  
**Date**

.....  
**Position**

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

## CERTIFICATE OF INDEPENDENT BID DETERMINATION

SBD 9

- 1 This Standard Bidding Document (SBD) must form part of all bids<sup>1</sup> invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).<sup>2</sup> Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
  - a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
  - b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
- 4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

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

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

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

\_\_\_\_\_  
(Bid Number and Description)

in response to the invitation for the bid made by:

\_\_\_\_\_  
(Name of Institution)

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

I certify, on behalf of: \_\_\_\_\_ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - (a) has been requested to submit a bid in response to this bid invitation;
  - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder



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

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

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

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder

Js914w 2



# agriculture, forestry & fisheries

Department:  
Agriculture, Forestry and Fisheries  
REPUBLIC OF SOUTH AFRICA

## Bid invitation

**BID NUMBER:** 4.4.12.4/18/17  
**SUBJECT:** APPOINTMENT OF A SERVICE PROVIDER FOR ECONOMETRIC & ECONOMIC MODELLING SERVICES

### 1. GENERAL BID CONDITIONS

- 1.1 Bidders who failed to complete the bid terms of reference/specification in all respects will automatically be disqualified.
- 1.2 Bidders who failed to complete and sign all the bid documentation and/or failed to submit all the required information/documentation as requested in terms of the bid documentation may be disqualified. The recommended bidder(s) may be requested to complete and sign all bid documentation within five (5) working days from date of request. Failure to submit will result in disqualification of the bid.
- 1.3 The bid must conform to the minimum requirements, as set out in this document, or it must be stated clearly how it deviates from these requirements and why. Offers exceeding the minimum requirements of the terms of reference/specification are acceptable.
- 1.4 Bidders must complete all the necessary bid forms and undertakings, which normally or otherwise accompany a government bid. The following forms and terms of reference/specification must be completed and submitted together with the bidder's response to this bid:
  - SBD 1 = Invitation to bid
  - SBD 3 = Pricing schedule
  - SBD 4 = Declaration of interest
  - SBD 6.1 = Preference points claim form
  - SBD 8 = Declaration of bidder's past Supply Chain Management (SCM) practices
  - SBD 9 = Certificate of Independent Bid Determination
- 1.5 No bid may be awarded to any bidder whose tax status has not been declared compliant by SARS. Bidders that are not tax compliant according to the CSD must resolve their tax matters with SARS within five (5) working days from date of request.
- 1.6 All bidders must ensure that they are registered on the Central Supplier Database (CSD): [www.csd.gov.za](http://www.csd.gov.za). Bidders are advised to ensure that their banking details are successfully verified on the CSD.
- 1.7 The CSD Registration Report must be attached to the bid document.
- 1.8 The Department will not award any bid to a bidder not registered as a prospective service provider/supplier on the CSD.

- 1.9 The successful bidder will be required to sign a written contract form (SBD 7). This document will be a binding contract between the successful bidder and the department. No service should be rendered without receipt of an official order issued by the department. No official order will be issued unless a successful bidder(s) has been successfully registered on the Central Supplier Database of the National Treasury.
- 1.10 The official forms as per paragraph 1.4 above and the bid terms of reference/specification must NOT be retyped. To ensure authenticity of documents bidders must complete forms manually. Bidders who do not comply with this requirement and retype the bidding documentation will be disqualified.
- 1.11 This bid is subject to Government Procurement: General Conditions of Contract, which may not be amended.
- 1.11.1 Failure to withdraw, waive and/or renounce the bidder's own bid conditions, when called upon to do so, may invalidate the bid.
- 1.12 During evaluation of the bids, information may be requested in writing from bidders. Replies to such requests must be submitted within five (5) working days or bids may be disregarded.
- 1.13 The department may **only accept a total ceiling price** for the entire project that must be inclusive of **all costs** (including travel and subsistence expenses). The bidders will not be entitled to claim for travel and subsistence expenses, such items must be included in the bid price.
- 1.14 The department will give preference to bidders that bid firm prices for the entire duration of the contract in terms of this bid. Non-firm prices (including prices that are subject to rates of exchange variations) may be considered if supporting documentation is submitted. **Should the bidder fail to indicate the bid price on the SBD 3 form (Pricing schedule), the bid may be regarded as invalid. No price increases will be considered by the Department in cases where firm bid prices have been agreed upon.**
- 1.15 The department will not be held liable for any expenses incurred by bidders in preparing and submitting bids
- 1.16 The department reserves the right to appoint more than one bidder, depending on conditions of the bid. The award of the bid may be subjected to price negotiation with the preferred bidders.
- 1.17 The department hereby chooses the following street address as its *domicilium citandi et executandi* for the purpose of serving notices and legal documentation:
- Street address**  
Agriculture Place  
20 Steve Biko Road  
ARCADIA  
Pretoria  
0007
- 1.18 Bidders are required to submit proof of B-BBEE Status Level of contributor. Proof includes original and valid B-BBEE Status Level Verification Certificates or certified copies thereof together with their bids or price quotations to substantiate their B-BBEE rating claims.



**1.19 B-BBEE Status Level Verification Certificates submitted, must be issued by the following:**

**1.19.1 Bidders other than EMEs and QSEs**

Verification agencies accredited by SANAS; or

**1.19.2 Bidder who qualify as EMEs and QSEs**

Sworn affidavit signed by the EME or QSE representative and attested by a Commissioner of Oaths.

1.19.3 Certificates issued by IRBA and Accounting Officers will only be accepted if issued before 1 January 2017.

1.19.4 Bidders who do not submit B-BBEE Status Level Verification Certificates or who are non-compliant contributors to B-BBEE do not qualify for preference points for B-BBEE.

1.19.5 A trust, consortium or joint venture (including unincorporated consortia and joint ventures) must submit a consolidated B-BBEE Status Level Verification Certificate for every separate bid.

1.19.6 Public entities and tertiary institutions must submit B-BBEE Status Level Verification Certificates together with their bids.

1.20 Bidder(s) may be requested to submit a valid company registration certificate issued by the Registrar of Companies and copies of the ID document(s) of active director(s).

**1.21 Enquiries**

Technical enquiries	Mr E. Steenkamp EzraS@daff.gov.za	Tel. 012 3198452/ 8003
	Ms E. Matsei DSEA@daff.gov.za	Tel 012 319 8454
General SCM enquiries	Ms D. Mohlala	Tel. 012 319 7129

1.22 The successful bidder must supply and deliver goods to the address as indicated in the bid documentation.

1.23 The validity period of this bid must be at least 90 days from the closing date of the bid.

**2. CONFIDENTIALITY**

2.1 This bid and all information in connection therewith shall be held in strict confidence by bidders and the use of such information shall be limited to the preparation of the bid. Bidders shall undertake to limit the number of copies of this document.

2.2 All bidders are bound by a confidentiality clause preventing the unauthorised disclosure of any information regarding the department or of its activities to any other organisation or individual. The bidders may not disclose any information, documentation or products to other clients without the written approval of the Director-General or the delegated official.

3. **COPYRIGHT**

- 3.1 Copyright of all documentation in relation to this bid belongs to the department. The successful bidder may not disclose any information, documentation or products to other clients without the written approval of the Director-General or the delegated official.

4. **PAYMENTS**

- 4.1 Payment shall normally be made within 30 days after receipt of an original invoice, subject to satisfactory delivery of the service as outlined in the Terms of Reference/Specification. No upfront payments will be made. Payments will be linked to successful achievement of predetermined milestones still to be negotiated and to be stipulated in the final approved project plan.
- 4.2 The bidder will not be entitled to claim for travel and subsistence expenses. If such expenses are applicable, these charges must be included in the bid price.

5. **NON-COMPLIANCE WITH DELIVERY TERMS**

As soon as it becomes known to the bidder that he/she will not be able to perform the services/deliver the goods within the agreed time/or delivery period and/or against the quoted price and/or as specified in the contract, the department must be given immediate written notice to this effect. The department reserves the right to implement remedies as provided for in paragraph 22 of the General Conditions of Contract.

6. **RETENTION**

- 6.1 On termination of this agreement, the bidder shall on demand, hand over all documentation, information, etc. to the department without the right of retention.
- 6.2 No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force and effect unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement of the agreement to amend or vary conditions shall be in writing.

7. **EVALUATION TEAM**

The department will appoint a bid evaluation committee to evaluate the bid submissions. The committee will make recommendations to the Bid Adjudication Committee.

8. **EVALUATION OF BIDS**

Bids will be evaluated on the following basis:

8.1 **Phase 1: Prequalification criteria**

- 8.1.1 The following prequalification criteria will be applicable to this bid:

(i) Service providers or suppliers must have at least a B-BBEE Status level 4 and higher.

- 8.1.2 Bidders that do not meet the pre-qualification criteria stipulated in paragraph 8.1.1 above will be disqualified from further evaluation.



**8.2 Phase 2: Compliance with minimum bid requirements**

8.2.1 All bids duly lodged will be evaluated to determine compliance with the bid requirements and conditions. Bids with obvious deviations from the bid requirements/conditions and not acceptable to the evaluation committee will be eliminated from the adjudication process, i.e. will not be shortlisted.

**8.3 Phase 3: Evaluation of functionality**

8.3.1 Short listed bidders may be requested to make presentations to the Department of Agriculture Forestry and Fisheries (at own expenses). Failure to adhere to attend the presentation when called upon will disqualify the bidder(s).

8.3.2 Generally values ranging from 1 being poor, 2 being average, 3 being good, 4 being very good and 5 that are excellent will apply.

8.3.3 Bids and/or presentations will be evaluated by the bid evaluation committee.

8.3.4 The following evaluation criteria and weights will apply and will consist of a maximum point of 100.

8.3.5 The points of each panel member should be added and divided by the number of panel members to establish the average percentage obtained by each bidder for functionality

8.3.6 A bidder must score an average of at least 70 points for functionality (paragraph 8.3.4) to qualify for further adjudication.

**FUNCTIONAL EVALUATION SCORING CRITERIA**

	Breakdown of functionality criteria	Scoring					Weight	Final score
		0	1	2	3	4		
	Evaluate the modelling system and the capabilities of the entity							
1	Detailed implementation plan & schedule						10	
1.1	Non-compliant. No evidence provided if required to substantiate compliance	x						
1.2	The implementation plan is of poor quality with insufficient detail		x					
1.3	The implementation plan is below average; not covering the required deliverables & activities and detail in respect of quality, time and quantity of work required			x				
1.4	The implementation plan is average; but covers the required				x			

	deliverables & activities, and details in respect of quality, time and quantity of work required								
1.5	The implementation plan is above average in terms of: the required deliverables & activities and details in respect of quality, time and quantity of work required				x				
1.6	The implementation plan is excellent and may exceed expectations; it covers the required deliverables & activities, and details in respect of quality, time and quantity of work required					x			
2	<b>Budget indicating a thorough breakdown on costing per item</b>		1	2	3	4	5	10	
2.1	Non-compliant. No evidence provided if required to substantiate compliance	x							
2.2	The budget breakdown is of poor quality and does not cover all required activities		x						
2.3	The budget breakdown is below average and only cover a minimum of required activities			x					
2.4	The budget breakdown is on average standard and reflect all minimum of required activities				x				
2.5	The budget breakdown is good and provide all financial information required for to cover all activities required					x			
2.6	The budget breakdown is of excellent quality and provide clear budget details and exceed expectations in covering required activities						x		
3	<b>Have an existing modelling operational modelling system that is functional and applicable coupled with applied experience</b>  (a) The entity has an existing, functional and up-to-date agri-		1	2	3	4	5	10	



	<p>cultural sector econometric &amp; economic model / system detailed on commodity level that already covers key agricultural sub-sectors (most APAP commodities).</p> <p>(b) The provider entity has already demonstrated substantial capacity and has already done similar work on government policy to solve agro-commodity sector policy and economic problems.</p>								
3.1	Non-compliant. No evidence provided if required to substantiate compliance	x							
3.2	Unacceptable, does not meet set requirements; does not have a fully functional model, does not cover product scope on required level of detail, does not have the required level of demonstrated experience and capacity		x						
3.3	Reasonable but not sufficient to fully satisfy all the set requirements; does not have a fully functional model, does not cover product scope on required level of detail, does not have the required level of demonstrated experience and capacity			x					
3.4	Fully complies to the set minimum requirements; does have a fully functional model, does cover the product scope on the required level of detail, does have the required level of demonstrated experience and capacity				x				
3.5	Above average compliance to the set requirements; does have a fully functional model, does cover the product scope on the required level of detail, does have the required level of demonstrated experience and capacity					x			
3.6	Meets and exceeds the set requirements; does have a fully functional model, does cover the product scope on the re-						x		

	quired level of detail, does have the required level of demonstrated experience and capacity								
4	<p><b>Having all the broad components of the required integrated modelling system</b></p> <p>The detailed sector econometric model / system that have integrated the following:</p> <p>(a) macro-economic value chains modelling per agricultural commodity,</p> <p>(b) as well as micro-economic farm-level information ,</p> <p>(c) integrated with Geographical and Spatial information on natural resources, especially in terms of water and land resources to be able to determine production potential and geospatial planning on macro level.</p> <p>(d) The sector econometric model is linked or integrated to a national household economic model</p> <p>(e) The sector economic model is linked to international models of the sector to enable international competitiveness benchmarking and international trade impact analysis.</p>		1	2	3	4	5	10	
4.1	Non-compliant. No evidence provided if required to substantiate compliance	x							
4.2	Unacceptable, does not meet critical set of requirements above, elements are not integrated		x						
4.3	Reasonable but not sufficient to fully satisfy the above set requirements and elements are not integrated			x					
4.4	Fully complies to the set minimum requirements above and all elements are integrated				x				
4.5	Above average compliance to the set requirements and all elements are integrated with proven functionality support by					x			

	case studies								
4.6	Meets and exceeds the set requirements and all elements are integrated with proven functionality support by case studies						x		
5	<p><b><u>Level of specific sector model detail with indication of functionality &amp; case studies</u></b></p> <p>(a) The modelling system is able to simulate supply &amp; demand responses, as well as impact on food prices, consumers, producers and value chain impacts such as jobs and sector growth.</p> <p>(b) The modelling system should include all the economic fundamentals e.g. socio-economic drivers, consumer household information, socio-political drivers, environmental impacts &amp; climate change, industry stock levels, trade levels, national resources e.g. land and water, factor in wage and job-multipliers and effects, and food process and impacts on consumers and producers.</p> <p>(c) have geo-spatial capabilities with regard to natural resources</p> <p>(d) The provider entity and its modelling system are able to do sector scenario planning and foreign trade impact analysis exercises. The modelling system should be able to do impact analysis of external shocks such as international trade agreements and a change in protection and tariff policy.</p>		1	2	3	4	5	10	
5.1	Non-compliant. No evidence provided if required to substan-	x							

	tiate compliance								
5.2	Unacceptable, does not meet a critical set of the above requirements		x						
5.3	Reasonable but not sufficient to fully satisfy all the above set of requirements			x					
5.4	Fully complies to all the above set of minimum requirements				x				
5.5	Above average compliance to the above set of requirements with clear illustration of functionality and case studies					x			
5.6	Meets and exceeds the above set of requirements with clear illustration of functionality and case studies						x		
6	<b>Public and collaborative ownership possibilities</b> The model should be able to have publically and co-owned components and be able to expand in a collaborative framework/ network. The provider entity is willing and able to integrate with government and its institutions. Willing to build a common platform & network to reduce the costs and improve the value for money gained over the longer term.		1	2	3	4	5	10	
6.1	Non-compliant. No evidence provided to substantiate compliance	x							
6.2	Unacceptable, does not have any options for collaborative ownership		x						
6.3	Reasonable but not sufficient to fully satisfy collaborative opportunities			x					
6.4	Fully complies to the set minimum requirements for collaborative ownership and participative opportunities				x				
6.5	Above average compliance for collaborative ownership and					x			

	participative opportunities								
6.6	Meets and exceeds compliance for collaborative ownership and participative opportunities						x		
7	<b>Ability to cover the remaining modelling gaps in a short period of time</b> The provider entity should be able to expand their coverage of agri-commodities to meet required adjustments in a relative short space of time, within the Agreement period, to meet the remaining needs of DAFF.		1	2	3	4	5	10	
7.1	Non-compliant. No evidence provided if required to substantiate compliance	x							
7.2	Unacceptable, does not have the capability to have reasonable coverage over the period		x						
7.3	Reasonable but not sufficient to fully satisfy the set requirements to cover all gaps over the period			x					
7.4	Fully complies to the set minimum requirements and have the capacity and ability to cover all gaps in the required period				x				
7.5	Above average compliance to the set requirements and can illustrate proven capacity and ability to cover all gaps in the required period					x			
7.6	Meets and exceeds the set requirements and can illustrate proven capacity and ability to cover all gaps in the required period						x		
8	<b>Assessment of output coverage for macro sector planning</b> (a) The provider entity is able to; (i) develop a supply potential plan for the <u>Trade-led Competitiveness Development Plan</u> of the agricultural sector,		1	2	3	4	5	10	

	<p>(ii) verify &amp; update &amp; validate the Agricultural Policy Action Plan (APAP), the Revitalization of Agriculture and Agro-processing value chains, which is part of the 9 Point Plan, and the National Development Plan. Focus should be on a supply response for export expansion and possibilities for replacing imports by local production, considering competitiveness. Many of the programmes overlap and are cross cutting and mutually interdependent.</p> <p>(b) The provider entity should organize and present a sector outlook public event with a formal publication of results, with full recognition of DAFF, and allow for policy debate and articulation of sector policy issues.</p> <p>(c) The provider entity should have the ability and system to articulate planning results on geo-spatial maps, in particular the supply potential in the context of an export-led development strategy, to indicate geographically the supply potential and water resources to achieve and expansion plan and the locations and order of investments required.</p> <p>(d) The provider entity should have the ability to expand the model to integrate the monitoring of black (commercial) farmers on micro-economic and farm level to measure competitiveness and economic viability to allow for funding and management models. The expansion of the database and modelling system to black farmers is possibly a future project to promote black commercial farmers.</p>								
8.1	Non-compliant. No evidence provided if required to substantiate compliance	x							
8.2	Unacceptable, does not meet a critical set of above requirements and fall short of delivering on the required level of		x						

	output								
8.3	Reasonable but not sufficient to fully satisfy the set requirements and fall short of delivering on the required level of output			x					
8.4	Fully complies to the set of minimum requirements and are able to deliver on the required level of output				x				
8.5	Above average compliance to the set requirements and are able to fully deliver on the required level of output					x			
8.6	Meets and exceeds the set requirements and are able to fully deliver on the required level of output						x		
<b>Team's Qualifications &amp; Relevant Experience</b>									
9	<b><u>Experienced staff / network of modelers on the sector and sector modelling</u></b> The entity has a critical mass (four) experienced econometric modelers with proven record of accomplishment of similar modelling work done for the agricultural sector.		1	2	3	4	5	10	
9.1	Non-compliant. No evidence provided if required to substantiate compliance	x							
9.2	The institution has less than 2 years' experience in agricultural macro-economic modelling and with inexperienced staff		x						
9.3	The institution has 2 to 3 years' experience in agricultural macro-economic modelling with insufficiently experienced staff, with no sufficient proven track records for the institution and staff			x					
9.4	The institution has 4 to 5 years' experience in agricultural macro-economic modelling with experienced staff and proven track records for the institution				x				

	and staff								
9.5	The institution has 6 to 7 years' experience in agricultural macro-economic modelling with experienced staff and proven track records for the institution and staff					x			
9.6	The institution has 8 and more years' experience in agricultural macro-economic modelling with experienced staff and proven track records for the institution and staff						x		
10	<b>Sustainability; critical mass of capacity to do and maintain the modelling system and execute the project</b>  The provider entity has a critical mass / pool of sector econometric modelling specialists & economists that maintains the modelling system annually and regularly.		1	2	3	4	5	10	
10.1	Non-compliant. No evidence provided if required to substantiate compliance	x							
10.2	Unacceptable. The panel has a serious concern about the current and future sustainability; viability of the institution and longer term sustainability of its modelling capabilities		x						
10.3	Reasonable but not sufficient to fully satisfy the set requirements; with valid concerns about the current and future sustainability; viability of the institution and longer term sustainability of its modelling capabilities			x					
10.4	Fully complies to the set minimum requirements; the panel does not have any concerns about the current and future sustainability; viability of the institution and longer term sustainability of its modelling capabilities				x				
10.5	Above average compliance to the set requirements: the panel					x			



	is confident about the current and future sustainability; viability of the institution and longer term sustainability of its modelling capabilities.								
10.6	Meets and exceeds the set requirements: the panel is confident about the current and future sustainability; viability of the institution and longer term sustainability of its modelling capabilities. The institution and its capabilities is regarded as a national & sector asset to be maintained.						x		
								100%	

**8.4 Phase 4: Evaluation for price and preference point system**

8.4.1 Only bidders who met all the minimum bid requirements as per paragraph 8.2 and scored the average of at least 70 points for functionality in terms of paragraph 8.3.6 above will be brought on a comparative price basis in terms of the applicable preference point system prescribed in the Preferential Procurement Regulations 6 and 7 of 2017 as indicated in the SBD 6.1 form.

**8.5 Phase 5: Awarding of bid**

8.5.1 The recommended bidder will usually be the bidder scoring the highest number of points.

**9. LATE BIDS**

**All completed documentation must be returned to the Department of Agriculture, Forestry and Fisheries before 11:00 on 04 May 2018. The location of the drop off is: Agriculture Place, Tender Receipt Office, Tender Box, Room A-GF-06.**

Bids received late shall not be considered. The bidding box shall be locked at exactly 11:00. The closing time will be in accordance with Telkom time (1026).

Bidders are therefore advised to ensure that bids are dispatched allowing sufficient time for any unforeseen events that may delay the delivery of the bid and time to access the premises because of security arrangements when entering the department's gate.

**10. COMPULSORY SITE INSPECTION/BRIEFING SESSION**

10.1 Bidders not attending a compulsory site inspection/briefing session will automatically be disqualified.

10.2 No late arrivals by bidders for a compulsory site inspection/briefing session will be allowed.

**11. FRAUD AND CORRUPTION**

All prospective bidders should take note of the implications of contravening the Prevention and Combating of Corrupt Activities Act, Act No. 12 of 2004 and any other act applicable.

**12. THE DEPARTMENT RESERVES THE RIGHT TO REJECT OR CANCEL BIDS**

Bids may be cancelled for any of the following reasons:

- 12.1 If the bidder has committed a proven corrupt or fraudulent act in competing for a particular contract.
- 12.2 If the bidder or any of its directors have:
- (i) Abused the SCM system of any government department.
  - (ii) Failed to perform any previous contract and the proof thereof exists.
  - (iii) Restricted from doing business with the public sector if such a bidder obtained preferences fraudulently or if such bidder failed to perform on a contract based on the specific goals.
  - (iv) If there is proof of fraud or any other improper conduct in relation to such system.
- 12.3 Due to changed circumstances, there is no longer a need for the goods or services requested.
- 12.4 Funds are no longer available to cover the total envisaged expenditure.
- 12.5 No acceptable bids are received.
- 12.6 Due to material irregularities in the bid process



# TERMS OF REFERENCE FOR APPOINTMENT OF A SERVICE PROVIDER FOR ECONOMETRIC & ECONOMIC MODELING SERVICES

## 1. INTRODUCTION AND PURPOSE

- 1.1 The Department of Agriculture, Forestry and Fisheries (DAFF) want to base its Export-led Competitiveness Development Plan, Agricultural Policy Action Plans (APAP), the Revitalization of Agriculture and Agro-processing Value Chains (RAAVC that form part of governments' Nine Point Plan) on a sound scientific evidence based planning to achieve the economic growth and job growth targets of the National Development Plan (NDP). Sector specific supply- and value chain modelling services is required in a collaborative manner for the following sectors: agriculture, forestry and fisheries.
- 1.2 DAFF requires an already developed and detailed agricultural, forestry and fisheries related sector & sub-sector economic model that cover the critical mass of the sectors commodities on a disaggregated level. The model should be able to simulate supply and demand responses, value chain impacts on production- and consumers, integrate macro and micro economic sector modelling simulation and make such results available in public space for accelerated and accurate decision making and policy debate. The scope identifies a framework with key research deliverables required and will enable faster turnaround time on answering policy questions.

## 2. SCOPE OF SERVICE REQUIRED

- 2.1 DAFF requires the services of an econometric & economic research entity specialised in the agriculture, forestry and fisheries sectors with an experienced pool of well-trained and capable economic modelling analysts and a detailed already developed sector macro- and micro-economic integrated model. Such entity should already have developed economic research capabilities and have an econometric modelling system for immediate application. The agricultural sector model or modelling-system should cover the bulk of the agricultural sector product scope on a disaggregated commodity level to enable the quantification of the agricultural sector (to be expanded to fish and forestry) policy & strategy planning, to simulate scenarios and provide answers for informed policy decision-making.
- 2.2 It will be important that the model & modelling system will also be able to cover / expand to products of key export importance, such as several important fruits and nuts, paper pulp and fish within the agreement period of three years. This is to enable the lower level of planning of the Export-led Competitiveness Development Plan with respect to a national supply and investment potential roadmap. The modelling system and pool of experts have to be able to engage in scenario planning and foresight type of exercises to determine alternative future outcomes, for example strategic supply side interventions to achieve export-led growth as well as validating and updating the scenarios of the NDP: 2030 in this regard.
- 2.3 The model and research outcomes have to be made available to DAFF and the outcomes and results have to be made available in public space when required. Such entity must be able to proof substantial experience and capabilities, demonstrate substantial capacity to deliver through a pool of knowledgeable experts, and have a track record of resolving similar problems for the sector and government with a relevant current up to date econometric model. The modelling system must be able to simulate future scenarios and be suitable to quantify high level national planning. Such modelling system needs to link or associate to international agricultural sector models & modelling systems to enable international benchmarking and trade impacts. One of the outcomes should be a public national annual policy outlook event to present results and to stimulate public debate.
- 2.4 The research entity with a pool of experts will need an in-depth understanding of the underlying economic fundamentals and the socio-economic dynamics: such as consumer and household information as well as the socio-political environment of the agro-food



system to sustain and expand a useful sector economic model. It has to consider the policy environment and long-term underlying balance between supply, demand, trade, stock levels, sustainable environmental impacts, availability of natural resources and consider the effects of climate change. Especially the system needs to have extensive information on quantifying water resources with geographical information and integrate information of water resources with production planning potential forecasts. This is especially important for determining export-led production expansion potential coupled with potential investment.

2.5 The suitable research entity must have a proven track record of doing similar sector national macro-econometric and micro-economic modelling for the public sector and / or agricultural sector role players. The model should fully incorporate international environmental factors as well as local resource factors to be able to simulate outcomes on minimum wages, job-creation multipliers, prices of food and impact on consumers, impacts on production and the impact of external shocks such as international trade agreements. It has to be able to calculate the effect of policy interventions such as tariffs on the value chains, food prices, production and jobs. It has to be able to simulate supply expansion possibilities that are linked with resource availability to meet opportunities for international demand. In this respect, it will have to articulate the supply planning possibilities and scenarios in a globally competitive export-led development policy approach. The ability to articulate planning in terms of spatial and geographic dimensions will be important in as far as the determination and location of production and investment attraction potential is concerned. The model will require both: sector macro-econometric relationships, as well as micro farming level production and gross marginal data and estimations. It is of importance that the macro-econometric information needs to be underpinned by realistic micro farm level data, farming competitiveness and farm profitability information.

2.6 Requirements can be divided into two distinct functional parts:

2.6.1 Maintaining a general sector partial equilibrium econometric model or system that can provide DAFF with immediate and continuous support on economic policy questions. The model can form a base for participation of DAFF economist & econometric modeller's in a collaborative fashion. A mutual beneficial collaborative network can bring down the cost of maintenance in the longer run when a critical mass of modellers that participate within DAFF and could extend the ability of DAFF to do additional analysis.

2.6.2 New development work or expansion of the modelling system to close possible existing modelling gaps with respect to commodity coverage, socio-economic linkages and spatialisation of empirical results in order to generate and articulate comprehensive future scenarios. This would enable solving of specific research questions related to export development in relation to the Agricultural Trade / Export-led Competitiveness Development Plan which is an integral part of the Agricultural Policy Action Plan (APAP), the Revitalisation of Agriculture and Agro-processing Value Chains (RAAVC), the Industrial Policy Action Plan (IPAP), aspects of the Agri-parks as well verification and quantification of the sector aspects of the National Development Plan (NDP).

### 3. METHODOLOGY

3.1. Bidders must describe the methodological approaches in detail: the research methods and techniques that will be used, why the specific methods and techniques are proposed, what advantage, disadvantage and risk factors & limitations there are.

3.2. In addition to the requirements of meeting the tender specifications, a detailed project implementation plan outlining key activities, timelines and outputs and costing must be provided.



#### 4. QUALIFICATIONS, EXPERIENCE AND EXPERTISE

The successful research institution and staff must meet the following minimum qualifications and experience requirements:

##### 4.1 The Project Leader

- a) Doctorate degree with specialisation in Economics, Agriculture or Agricultural Economics with specialization in econometric modelling in the agricultural sector.
- b) 8-10 years' practical experience in applied social science research, especially undertaking research in the agriculture/agribusiness sector. Furthermore, he/she must have knowledge and understanding of South Africa's economic needs and priorities; the agricultural and agribusiness sectors and; sound knowledge of the trade relationships and agreements between South Africa and its major agro-food trading partners.
- c) Three (3x) case studies of similar assignments undertaken by the institution and research leader over the past 10 years, but preferably recently, should be provided as evidence of experience.
- d) Demonstrate experience and expertise in trade impact tools such as partial equilibrium analysis, computable general & partial equilibrium modelling, and related methods desired.

##### 4.2 A minimum of 4 other proposed core team members. The bidders should propose a core team of minimum four experts with experience in economic and econometric modelling.

- a) Each core member should have a degree in one or more of the following areas: social sciences, economics, agriculture business management, statistics, econometrics, international trade, development studies and or related fields.
- b) 3-5 years' practical experience in applied social science research and project management and experience in the agricultural/agribusiness sector, trade. Information on at least one or more relevant project/assignment completed/assisted in the past 5 years should be provided per team member.

##### 4.3 Bidders must submit comprehensive CV's of all proposed key staff. A table summarising the qualifications and experience of the proposed team must be provided as indicated in below table.

Name and role of proposed team member	Relevant qualification(s) and courses successfully completed & dates	Relevant experience to the modelling project & dates	Contact details
		▪	
		▪	

##### 4.4 The bidding institution must have at least 3 years, but ideally 10 years of relevant experience in delivering the required econometric modelling services. Provide proof of relevant experience by means of applicable cases studies and details of similar work done over the past 5 years. Executive summaries of these studies and contact details of clients & references should be attached to the bid.

##### 4.5 DAFF reserves the right to vet all documentation and information provided by bidders to prove their relevant experience and ability to perform the service.

## **5. EXPECTED RESULTS**

### **5.1 Base planning and sector policy outlook with a public policy debate**

- 5.1.1 Maintaining an up-to date sector-modelling system that integrates macro-econometric modelling and micro economic data on farm level competitiveness and profitability on: food prices, consumption impact and production impact.
- 5.1.2 Modelling should be available on commodity product level for the agriculture, forestry and fisheries sectors or the majority of the main subsectors and the remainder areas to be developed in the contract period.
- 5.1.3 Hosting of an annual policy outlook event with opportunity for sector policy public debate. The base sectors outlook has to be published annually.

### **5.2 Export-led development planning**

- 5.2.1 Develop new commodity value chains and close the modelling gaps as prioritized by DAFF to cover the main agricultural, forestry and fisheries export products as well as the value chains (in a pragmatic way on a 80/20 principle) within this Agreement period, to provide planning detail for the Export-led Competitiveness Development Plan. Write a final supply response plan linked with the current and evolving foreign market priorities.
- 5.2.2 Simulate supply and demand of the value chains; especially fruit and nuts, paper pulp and fish commodities. It is inevitable that at the level of commodity detail required, it is impossible to cover all commodities. However, to be able for the model to represent a critical mass of exports by value, it may be necessary to expand the models to substantially cover the major agricultural, forestry and fisheries export products on commodity level.
- 5.2.3 Do further work to translate modelling results into scenarios and into policy planning is described in another result and cost item.

### **5.3 Refine the model and develop integrated plans that cut across the Export-led Competitiveness Development Plan, APAP, IPAP and the NDP.**

- 5.3.1 Develop the details of a supply response for the sectors' Export-led Competitiveness Development (strategy) Plan
  - 5.3.1.1 Do further work to translate modelling results into future (2030) scenarios and into policy planning.
  - 5.3.1.2 Geographically present results and integrate the following: natural resources, product supply responses, production potential linked to the international demand of strategic commodities in a trade and export-led competitiveness development approach.
  - 5.3.1.3 Provide a roadmap to water utilization, irrigation and investment development scenario's. Write a plan with geo-spatial presentation. Results to be realistic to water planning scenario's based on current and future realities.
  - 5.3.1.4 Articulate and present the order of investment required to transform the sector to meet NDP goals and simulate the job and growth impact. Effectively verify the goals and assumptions of the NDP for the year 2030.
  - 5.3.1.5 Provide further detailed planning for a pilot commercial black farm export settlement & project in this regard (see 5.5 below).
- 5.3.2 Redo and update all the supply planning of the Agricultural Policy Action Plan (APAP) commodities. Simulate and validate all APAP value chain commodities and provide "what if" scenario's based on industry realities and assumptions to meet the targets of APAP in terms of jobs created and stimulating growth. The base scenarios and plans are feeders to the Nine Point Plan and RAAVC as well as the NDP targets.



- 5.3.3 Effectively verify the goals and assumptions of the NDP for the year 2030. Verify the planning, goals, assumption and conditions to reach the 2030 targets of the NDP.

#### **5.4 Answer specified policy & strategic questions**

- 5.4.1 A retainer should be available and included in the costing to simulate and answer three policy questions per annum on short notice and on demand or by pre-design to add to a total equivalent of at least ten working days per annum.
- 5.4.1 Such as to be able to measure external shocks of trade agreements on consumers and producers & the sector and the national economy e.g. EPAs, EFTA, AGOA.
- 5.4.2 Calculate the effect of tariffs or other policy interventions on consumers, food prices, producers, jobs and provide technical recommendations and advice on request i.e. tariff making.

#### **5.5 Pilot project on monitoring black farmers on micro economic models.**

- 5.5.1 Do a pilot project to include the monitoring of competitiveness of small black commercial farmers to illustrate how these methods could expand to meet the requirements of an initiative to create a larger number of black commercial farmers.

### **6. COMMENCEMENT, DURATION AND COMPLETION DATES FOR DELIVERABLES**

- 6.1 Besides an initial project plan for this tender evaluation another more refined complete projects plan should be submitted each year after the tender was successfully awarded, mutually agreed upon and approved by the CFO with time, quantity and quality deliverables as well as milestones.
- 6.2 The duration of this tender and resulting Agreement shall be for a period of 3 years (36 months) from the signing of this Agreement.
- 6.3 Each year a South African agricultural long-term outlook for the agricultural sector should be developed and publically presented with provision / opportunity for public policy debate and sector policy formulation.
- 6.4 Each year a comprehensive unpacking of value chains will be done. The Trade Strategy Competitiveness Development Plan will be developed and updated each year with the latest information as integral part of the APAP and NDP.
- 6.5 The work of DAFF officials should be integrated as far as possible with the work of the partner research institution to have seamless results and to give exposure to DAFF modellers & partner institutions such as the NAMC.
- 6.6 Small ad hoc requests for immediate answering, such as for example the impact of trade negotiations on particular industries, tariff formulation and tariff impact advice. Three inquiries per annum will form part of the Agreement.

### **7. CONDITIONS**

- 7.1 A Contract will have to be signed with the successful bidder.
- 7.2 Proposed key staff members must participate actively and be available to perform services in accordance with the Contract and the project implementation plan. In instances where a proposed key staff member is not available to perform services at a specific period in time, the bidder will be responsible to provide a replacement with similar qualifications and experience in order to guarantee the same standard of work to DAFF.
- 7.3 DAFF reserves the right to vet all qualifications and other documentation provided by bidders to prove relevant qualifications, experience and expertise prior to appointment.
- 7.4 Copyright and intellectual property rights to all systems, documentation, reports etc. that emanate from assignments commissioned will vest with DAFF
- 7.5 This bid and all contracts emanating there from will be subject to the General Conditions of Contract issued in accordance with Treasury Regulation 16A published in



terms of the Public Finance Management Act, 1999 (Act 1 of 1999). Special Conditions of Contract are supplementary to that of the General Conditions of Contract. Not all bids will contain special conditions of contract. Where, however, the Special Conditions of Contract are in conflict with the General Conditions of Contract, the Special Conditions of Contract will prevail.

- 7.6 Bidders' attention is drawn to the fact that amendments to any of the Bid Conditions or setting of counter conditions by bidders may result in the invalidation of such bids.
- 7.7 DAFF reserves the right to conduct supplier due diligence prior to final award or at any time during the contract period. This may include site visits.
- 7.8 The Bid Office Officials of DAFF may communicate with bidders where clarity is sought after the closing date of the bid and prior to the award of the contract, or to extend the validity period of the bid, if necessary.
- 7.9 All communication between the bidder and the Bid Office Officials of DAFF must be done in writing.
- 7.10 Bidders must ensure that they are registered on the Central Supplier Database of the National Treasury as this is compulsory with effect of 1 April 2016 in order for bidders to be considered for bids (Par. 7.3 of National Treasury's Circular no 3 of 2015/2016).
- 7.11 Bidders must ensure that their tax matters are in order in line with the Preferential Procurement Policy Framework Act and the Treasury Regulations.
- 7.12 Bidders whose tax matters are not declared to be in order will automatically be disqualified (PPPFA section 14 and Treasury Regulation 16 A9.1. (d).
- 7.13 Short listed bidders may be requested to make presentations to the Department of Agriculture Forestry and Fisheries (at own expenses). Failure to adhere to attend the presentation when called upon will disqualify the bidder(s).
- 7.14 All bid applications need to submit a detailed project plan as well as detailed budget to cost all items. Payment milestones will have to be negotiated.

## 8. PROJECT LEADERS & COORDINATORS

8.1 Directorate Statistics and Economic Analysis: Ms Ellen Matsei,

E-mail: [DAS@daff.gov.za](mailto:DAS@daff.gov.za) , Tel 012 319 8454, Fax 012 319 8031

8.2 Directorate International Trade; Mr Ezra Steenkamp

Email: [EzraS@daff.gov.za](mailto:EzraS@daff.gov.za) Tel 012 319 8452, Fax: 012 319 8031/8001

## 9. EVALUATION PROCESS

### FUNCTIONALITY REQUIREMENT CHECKLIST:

	Evaluate the modelling system and the capabilities of the entity	Yes	No	Comments
1	Detailed implementation <u>plan</u> & schedule			
2	<u>Budget</u> indicating a thorough breakdown on costing per item			
3	Have an <u>existing</u> modelling operational modelling system that is functional and applicable			



	<b>coupled with applied experience. (provide proof)</b>	-	-	-
	3 (a) The entity has an existing, functional and up-to-date agricultural sector econometric & economic model / system, detailed on commodity level that already covers key agricultural sub-sectors (most APAP commodities). – <b>(provide or illustrate as proof)</b>			
	3(b) The provider entity has already demonstrated substantial capacity and has already done similar work on government policy to solve agro-commodity sector policy and economic problems. – <b>(provide case studies &amp; references as proof)</b>			
4	<b>Having all the broad components of the required integrated modelling system</b> The detailed sector econometric model / system that have integrated the following:	-	-	-
	4(a) macro-economic value chains modelling per agricultural commodity <b>(mention products/ groups of products covered)</b>			
	4(b) as well as micro-economic farm-level information system <b>(explain the level of detail &amp; maintenance of the system and product coverage)</b>			
	4(c) are integrated with geographical and spatial information on natural resources, especially in terms of water and land resources to be able to determine production potential and geo-spatial planning on macro level. <b>(provide detail)</b>			
	4(d) The sector econometric model is linked or integrated to a national household economic model <b>(provide further detail)</b>			
	4(e) The sector economic model is linked to international models of the sector to enable international competitiveness benchmarking and international trade impact analysis. <b>(provide detail)</b>			
5	<b>Level of specific sector model detail with indication of functionality &amp; case studies:</b>	-	-	-
	5(a) The modelling system is able to simulate supply & demand responses, as well as impact on food prices, consumers, producers and value chain impacts such as jobs and sector			

	growth. (Explain by hand of a sector example)			
	5(b) The modelling system should include all the economic fundamentals e.g. socio-economic drivers, consumer household information, socio-political drivers, environmental impacts & climate change, industry stock levels, trade levels, national resources e.g. land and water, factors in wage and job-multipliers and effects, and food process and impacts on consumers and producers. (Explain by examples)			
	5 (c) Have advanced geo-spatial capabilities with regard to natural resources with sufficiently recent data to enable high level planning. (Explain by example, the level of the existing data, capabilities and how gaps can be bridged)			
	5(d) The provider entity and its modelling system are able to do sector scenario planning and foreign trade impact analysis exercises. The modelling system should be able to do impact analysis of external shocks such as international trade agreements and a change in protection and tariff policy. (Explain by example)			
6	<b>Public and collaborative ownership possibilities</b>  The model should be able to have publically and co-owned components and be able to expand in a collaborative framework/ network. The provider entity is willing and able to integrate with government and its institutions. Willing to build a common platform & network to reduce the costs and improve the value for money gained over the longer term. (Explain level of collaboration and co-ownership possibilities)			
7	<b>Ability to cover the remaining modelling gaps in a short period of time</b>  The provider entity should be able to expand their coverage of agro-commodities to meet required adjustments in a relative short space of time, within the agreement period, to meet the remaining needs of DAFF. (Explain how gaps can be covered e.g. export products)			
8	<b>Assessment of output coverage for macro sector planning.</b>	-	-	-
	8(a) The provider entity is able to:	-	-	-

	8(a) (i) Primary, to develop a supply potential plan for a <u>Trade-led Competitiveness Development Plan</u> for the agricultural sector. The primary focus is on a supply response for export expansion and possibilities for replacing imports by local production, considering competitiveness. <b>(Explain extend of coverage of exports &amp; closing of the gaps)</b>			
	8(a) (ii) Secondary, to verify & update and validate the Agricultural Policy Action Plan (APAP), the Revitalization of Agriculture and Agri-processing value chains, which is part of the 9 Point Plan, and the National Development Plan. Many of the programmes overlaps are cross cutting and mutually interdependent. <b>(Explain extend of coverage in the proposed plan)</b>			
	8(b) The provider entity should organize and present a sector outlook public event with a formal publication of results, with full recognition of DAFF, and allowing for policy debate and articulation of sector policy issues. <b>(Explain detail &amp; capabilities in this regard)</b>			
	8(c) The provider entity should have the ability and system to articulate planning results on geo-spatial maps. In particular the supply potential in the context of an export-led development strategy, to indicate geographically the supply potential, water resources, to achieve an expansion plan and order of investments required. <b>(provide more detail on the suitability of the model as macro planning tool to provide a plan for export-led expansion)</b>			
	8(d) The provider entity should have the ability to demonstrate through a pilot project that it can expand the model to integrate the monitoring of black (commercial) farmers on micro-economic and farm level to measure competitiveness and economic viability to allow for funding and management models. The expansion of the database and modelling system to black farmers is a possible future project to promote black commercial farmers. <b>(Explain how a pilot will be conducted)</b>			
	<b>Team's Qualifications &amp; Relevant Experience</b>			
9	<b><u>Experienced staff / network of modelers on the sector and sector modelling</u></b>  The entity has a research leader and a critical mass (four) of experienced economic & econ-			

	ometric modelers with proven record of accomplishment of similar modelling work done for the agricultural sector. ( <b>Attach CV's indicating modelling experience</b> )			
10	<p><b>Sustainability; critical mass of capacity to do and maintain the modelling system and execute the project</b></p> <p>The provider entity has a critical mass / pool of sector econometric modelling specialists &amp; economists that maintains the modelling system annually and regularly. (<b>Provide detail on structure and explain what determines the sustainability of the system</b>)</p>			

## 10. MONITORING

Appointed designees of the Branches: (Trade and Business Development) & (Policy Planning and Monitoring & Evaluation) will do the overall evaluation after work is done and sign off on satisfactory progress.

## 11. CHECKLIST

Bidders/service providers must ensure that the following documents are attached, signed and completed:		Yes	No	Comments
(i)	Terms of reference			
(ii)	SBD 1 form;			
(iii)	SBD 3 form;			
(iv)	SBD 4 form;			
(v)	SBD 6.1 form;			
(vi)	SBD 8 form;			
(vii)	SBD 9 form;			
(viii)	CSD registration			
(ix)	Certified B-BBEE Certificate / Sworn Affidavit			
(x)	Detailed implementation plan, with milestones and with a detailed budget breakdown			
(xi)	Full details of the modelling system; to describe its content, coverage and limitations. <u>Provide summary notes in a hard copy</u> and add supplementary documents electronically. Cover all functional areas required.			
(xii)	CV's of team members with qualifications and experience levels indicated			
(xiii)	Case studies of modelling work – <u>Provide summary notes in a hard copy</u> and supporting documents electronically to illustrate similar econometric modelling work capabilities and with references. Cover all functional areas required.			
(XIV)	Provide answers and describe all the functional area required (point 9 Functionality Requirement Checklist) and provide the necessary detail and proof			

I/we, the undersigned, declare that the information furnished is true and correct and warrants that he/she is duly authorised to sign on behalf of the company.

**NAME AND CAPACITY:** \_\_\_\_\_

**SIGNATURE OF SUPPLIER**

**DATE**

**NAME OF COMPANY:** \_\_\_\_\_



# **THE NATIONAL TREASURY**

**Republic of South Africa**



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## **GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT**

**July 2010**

**GOVERNMENT PROCUREMENT**  
**GENERAL CONDITIONS OF CONTRACT**  
**July 2010**

**NOTES**

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
- (ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

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

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

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## General Conditions of Contract

### 1. Definitions

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

RSA.

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

obligations of the supplier covered under the contract.

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

**2. Application**

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

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

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

**3. General**

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

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

**4. Standards**

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

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

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

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

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

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

**6. Patent rights**

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

**7. Performance security**

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

**8. Inspections, tests and analyses**

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

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

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

**9. Packing**

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

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

**10. Delivery and documents**

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

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

**11. Insurance**

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

**12. Transportation**

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

**13. Incidental services**

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

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

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

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

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

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

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

#### **15. Warranty**

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

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

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

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

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

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

**16. Payment**

- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

**17. Prices**

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

**18. Contract amendments**

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

**19. Assignment**

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

**20. Subcontracts**

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

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

- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the

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

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

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

## **22. Penalties**

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

## **23. Termination for default**

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

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

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

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

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



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

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

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

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

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

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

may be due to him

**25. Force Majeure**

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

**26. Termination for insolvency**

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

**27. Settlement of Disputes**

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

**28. Limitation of liability**

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

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

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

Js General Conditions of Contract (revised July 2010)