

## **OVG (09) 2021/22**

# **APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE INTERNAL AUDIT SERVICES TO THE OFFICE OF THE VALUER- GENERAL FOR A PERIOD OF 36 MONTHS**

Prospective Bidders are required to attend a compulsory briefing session.  
The session will be conducted via the MS Teams platform as follows:

**Date:** 26 August 2021

**Time:** 11h00

Those that are interested in attending this session, should send an email to [Buti.Matjila@dalrrd.gov.za](mailto:Buti.Matjila@dalrrd.gov.za) requesting the link for the session and the closing time to obtain a link will be, an hour before the session starts.

**Failure to attend the compulsory briefing session will disqualify Bidders' proposal.**

### **For further enquiries:**

#### **For technical information please contact:**

Mr. Kabelo Moatshe

Tel: 078 422 2429

Email: [Kabelo.Moatshe@ovg.org.za](mailto:Kabelo.Moatshe@ovg.org.za)

#### **For Bid administration information please contact:**

Mr. Buti Matjila

Tel: 082 385 4570

Email: [Buti.Matjila@dalrrd.gov.za](mailto:Buti.Matjila@dalrrd.gov.za)



# agriculture, land reform & rural development

Department:  
Agriculture, Land Reform and Rural Development  
REPUBLIC OF SOUTH AFRICA

## OFFICE OF THE CHIEF REGISTRAR OF DEEDS

**Directorate:** Supply Chain and Facilities Management Services  
Private Bag X918, PRETORIA, 0001; TEL: (012) 338 7208 FAX: (012) 338 7277 WEB: [www.drldr.gov.za](http://www.drldr.gov.za)

YOU ARE HEREBY INVITED TO BID TO THE DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

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**BID NO:** OVG (09) 2021/22      **CLOSING TIME:** 11:00      **CLOSING DATE:** 06 SEPTEMBER 2021

BIDS RECEIVED AFTER THE CLOSING TIME AND DATE ARE LATE AND WILL AS A RULE NOT BE ACCEPTED FOR CONSIDERATION.

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1. Kindly furnish us with a bid for services shown on the attached forms.
2. Attached please find:
  - 2.1 Authority to Sign the Standard Bidding Documents (SBDs) on behalf of an Entity ..... Page 3 - 4
  - 2.2 Invitation to Bid – SBD 1 ..... Page 5 – 6
  - 2.3 Pricing Schedule – SBD 3.3 ..... Page 7 – 8
  - 2.4 Declaration of Interest – SBD 4 ..... Page 9 - 12
  - 2.5 Preference Points Claim Form – SBD 6.1 ..... Page 13 - 17
  - 2.6 Declaration of Bidder's Past Supply Chain Management Practices – SBD 8 ..... Page 18 - 19
  - 2.7 Certificate of Independent Bid Determination – SBD 9 ..... Page 20 - 23
  - 2.8 Supplier Maintenance (Bank Details) Form ..... Page 24 - 25
  - 2.9 Terms of Reference and Annexure A ..... Page 26 - 37
  - 2.10 General Conditions of Contract (GCC) ..... Page 38 - 51
3. If you are a sole agent or sole supplier you should indicate your market price after discount to your other clients or if that is not possible your percentage net profit before tax, in order to decide whether the price quoted is fair and reasonable.
4. The attached forms must be completed in detail and returned with your bid. Failure to comply may disqualify your proposal. Each bid document must be submitted in a separate sealed envelope stipulating the following information: Name and Address of the bidder, Bid number and closing date of bid.
5. **Bid proposals must be deposited into the Tender/ Bid Box situated at the Reception Area of the Department of Agriculture, Land Reform and Rural Development (DALRRD): Deeds Registry Pretoria, Merino Building, Corner of Bosman and Pretorius Street, Pretoria, 0001 by not later than the closing date and time indicated above. Bid proposals which are not inside the Tender/ Bid Box on the closing date and time will not be considered.**

Yours faithfully

**SIGNED**  
**MR B MATJILA**  
**ASSISTANT DIRECTOR: ACQUISITION MANAGEMENT**  
**DATE: 12 AUGUST 2021**

## **AUTHORITY TO SIGN THE STANDARD BIDDING DOCUMENTS (SBDs) ON BEHALF OF AN ENTITY.**

Only authorized signatories may sign the original and all copies of the tender offer where required.

In the case of a **ONE-PERSON CONCERN** submitting a tender, this shall be clearly stated.

In case of a **COMPANY** submitting a tender, include a copy of a **resolution by its board of directors** authorizing a director or other official of the company to sign the documents on behalf of the company.

In the case of a **CLOSE CORPORATION** submitting a tender, include a copy of a **resolution by its members** authorizing a member or other official of the corporation to sign the documents on each member's behalf.

In the case of a **PARTNERSHIP** submitting a tender, **all the partners shall** sign the documents, unless one partner or a group of partners has been authorized to sign on behalf of each partner, in which case **proof of such authorization** shall be included in the Tender.

In the case of a **JOINT VENTURE** submitting a tender, include **a resolution** of each company of the Joint Venture together with a resolution by its members authorizing a member of the Joint Venture to sign the documents on behalf of the Joint Venture.”

**Accept that failure to submit proof of Authorization to sign the tender shall result in a Tender Offer being regarded as non-responsive.**

## AUTHORITY OF SIGNATORY

Signatories for companies, close corporations and partnerships must establish their authority **BY ATTACHING TO THIS FORM, ON THEIR ORGANISATIONS'S LETTERHEAD STATIONERY**, a copy of the relevant resolution by their Board of Directors, Members or Partners, duly signed and dated.

An **EXAMPLE** is shown below for a COMPANY:

<p><b>MABEL HOUSE (Pty) Ltd</b></p> <p><b>By resolution of the Board of Directors taken on 26 May 2021,</b></p> <p><b>MR A.F JONES</b></p> <p><b>has been duly authorised to sign all documents in connection with</b></p> <p><b>Contract no OVG (09) 2021/22, and any contract which may arise there from,</b></p> <p><b>on behalf of MABEL HOUSE (Pty) Ltd.</b></p> <p><b>SIGNED ON BEHALF OF THE COMPANY: (Signature of Managing Director)</b></p> <p><b>IN HIS CAPACITY AS: Managing Director</b></p> <p><b>DATE: 20 May 2000</b></p> <p><b>SIGNATURE OF SIGNATORY: (Signature of A.F Jones)</b></p> <p><b>As witnesses:</b></p> <p>1. ....</p> <p>2. ....</p> <p>Signature of person authorised to sign the tender: .....</p> <p>Date: .....</p>
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**PART A  
INVITATION TO BID**

**YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT**

BID NUMBER:	OVG (09) 2021/22	CLOSING DATE:	06 SEPTEMBER 2021	CLOSING TIME:	11:00
DESCRIPTION	APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE INTERNAL AUDIT SERVICES TO THE OFFICE OF THE VALUER-GENERAL FOR A PERIOD OF 36 MONTHS				

**THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

**BID RESPONSE DOCUMENTS MAY BE SUBMITTED TO:**

BID RESPONSE MUST BE DEPOSITED INTO THE TENDER/BID BOX SITUATED AT:  
 DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT (DALRRD)  
 PRETORIA DEEDS REGISTRY  
 MERINO BUILDING  
 CORNER OF BOSMAN AND PRETORIUS STREET, PRETORIA, 0001

**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) AND NAME THE APPLICABLE IN THE TICK BOX	<input type="checkbox"/>	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			
	NAME:				

**[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT(FOR EMEs& QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]**

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ANSWER 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)	
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**BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:      TECHNICAL INFORMATION MAY BE DIRECTED TO:**

DEPARTMENT/ PUBLIC ENTITY	AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT	CONTACT PERSON	KABELO MOATSHE
CONTACT PERSON	BUTI MATJILA	TELEPHONE NUMBER	078 422 2429
TELEPHONE NUMBER	082 385 4570/ 012 338 7208	FACSIMILE NUMBER	
FACSIMILE NUMBER		E-MAIL ADDRESS	<a href="mailto:Kabelo.Moatshe@ovg.org.za">Kabelo.Moatshe@ovg.org.za</a>
E-MAIL ADDRESS	<a href="mailto:Buti.Matjila@dalrrd.gov.za">Buti.Matjila@dalrrd.gov.za</a>		

## PART B TERMS AND CONDITIONS FOR BIDDING

<b>1. BID SUBMISSION:</b>								
<p>1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p> <p>1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE</p> <p>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.</p> <p>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.</p> <p>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.</p>								
<b>2. TAX COMPLIANCE REQUIREMENTS</b>								
<p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER’S PROFILE AND TAX STATUS.</p> <p>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 <a href="http://WWW.SARS.GOV.ZA">WWW.SARS.GOV.ZA</a>.</p> <p>2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.</p> <p>2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.</p> <p>2.6 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.</p>								
<b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>								
<table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.4. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> </table> <p><b>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.</b></p>	3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.4. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO							
3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO							
3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO							
3.4. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO							

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

# PRICING SCHEDULE FOR APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE INTERNAL AUDIT SERVICES TO THE OFFICE OF THE VALUER-GENERAL FOR A PERIOD OF 36 MONTHS

## PRICING SCHEDULE (Professional Services)

NAME OF BIDDER: .....		
<b>BID NO:</b> OVG (09) 2021/22	<b>CLOSING DATE:</b> 06 SEPTEMBER 2021	<b>CLOSING TIME:</b> 11:00

OFFER TO BE VALID FOR 90 DAYS FROM THE CLOSING DATE OF BID.

ITEM NO <u>TAX</u>	DESCRIPTION	BID PRICE IN RSA CURRENCY INCLUSIVE OF <u>VALUE ADDED</u>
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DELIVERABLES	COST PER ACTIVITY	NUMBER OF ACTIVITIES	TOTAL COST
1. Internal Audit Methodology including forensic investigations	R	1 in Year 1	R.....
2. Internal Audit of the valuations function of the OVG	R	3 including 1 Follow-up	R.....
3. Comprehensive Internal Audit of the Finance function of the OVG	R	3 including one Follow-up - 1- year 1 - Follow up – year 2 - 1- year 3	R.....
4. Comprehensive internal Audit of the Human Capital Services function of the OVG	R	3 including 1 Follow-up	R.....
5. Comprehensive internal Audit of the Supply Chain Management function of the OVG	R	3 including 1 Follow-up	R.....
6. Comprehensive internal Audit of the ICT function of the OVG	R	4 including 1 Follow-up	R.....
7. Comprehensive internal Audit of the PMO function of the OVG	R	3 including 1 Follow-up	R.....

Bid Initials .....  
Bid's Signature.....  
Date:.....

Name of Bidder: .....

**PRICING SCHEDULE FOR APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE INTERNAL AUDIT SERVICES TO THE OFFICE OF THE VALUER-GENERAL FOR A PERIOD OF 36 MONTHS**

[SBD 3.3]

8. Comprehensive internal Audit of the Governance function of the OVG	R	3 including 1 Follow-up	R.....
9. Comprehensive internal Audit of the post ERP implementation	R	3 including 1 Follow-up	R.....
10. Comprehensive enterprise wide consultancy report	R	1 Once-off	R.....
11. Post Data Migration Review (Deeds to OVG Transition)	R	1 Once-off	R
12. Comprehensive audit of the OVG performance information (Quarterly and Annually)	R	15 4 Quarterly Reviews per year 1 Overall Review per year	R.....
13. Audit of the Annual Financial Statements	R	3 1 Audit per year	R.....
14. Forensic Investigation Reports	R	Adhoc basis  Specify Hourly Rate per Resource	R.....
15. Anti-fraud Hotline	R	3 Years	R.....
SUB –TOTAL (Excluding VAT)			R.....
VAT 15%			R.....
TOTAL (Including VAT)			R.....

**NB! The OVG will not be responsible for any travelling costs**

**NB! The OVG will process invoice payments upon the successful completion or partial completion of the abovementioned deliverables in line with the signed service level agreement (SLA)**

Kindly indicate the relationship between the quoted amount and the recommended rates of the appropriate regulatory body.

Bid Initials .....  
 Bid's Signature..... Page 8 of 51  
 Date:.....



## 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.

.....  
.....

2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid? YES/NO

2.10.1 If so, furnish particulars.

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

2.11 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract? YES/NO

2.11.1 If so, furnish particulars:

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

**3 Full details of directors / trustees / members / shareholders.**

Full Name	Identity Number	Personal Income Tax Reference Number	State Employee Number / Persal Number

**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

November 2011

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

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

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

**1. GENERAL CONDITIONS**

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

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

1.2 The value of this bid is estimated not to exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable.

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:

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

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

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

## 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 PREFERENCE POINT SYSTEM

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

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

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) 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 (80/20 system)
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

**5. BID DECLARATION**

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

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

6.1 B-BBEE Status Level of Contributor: . = .....(maximum of 20 points)  
 (Points claimed in respect of paragraph 6.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

**7. SUB-CONTRACTING**

7.1 Will any portion of the contract be sub-contracted?  
 (**Tick applicable box**)

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

7.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted.....%
- ii) The name of the sub-contractor.....
- iii) The B-BBEE status level of the sub-contractor.....
- iv) Whether the sub-contractor is an EME or QSE

(**Tick applicable box**)

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

v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations,2017:

<b>Designated Group: An EME or QSE which is at last 51% owned by:</b>	<b>EME</b> √	<b>QSE</b> √
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.

WITNESSES

1. ....

2. ....

.....  
SIGNATURE(S) OF BIDDERS(S)

DATE: .....

ADDRESS .....

.....

.....

## 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?</p> <p><b>(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).</b></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)?</p> <p><b>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.</b></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**

Js365bW

## CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Standard Bidding Document (SBD) must form part of all bids<sup>1</sup> invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).<sup>2</sup> Collusive bidding is a *per 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:

**OVG (09) 2021/22**

**Appointment of Service Provider to provide Internal Audit Services to the  
Office of the Valuer-General for a period of 36 Months**

in response to the invitation for the bid made by:

**Department of Agriculture, Land Reform and Rural Development**

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

BAS

LOGIS

Office

System User Only	
Captured By:	
Captured Date:	
Authorized By:	
Date Authorized:	
<b>Safety Web Verification</b>	
<input type="checkbox"/> YES	<input type="checkbox"/> NO

**The Director General: Department of Agriculture, Land Reform and Rural Development**

I/We hereby request and authorize you to pay any amounts, which may accrue to me/us to the credit of my/our account with the mentioned bank.

I/we understand that the credit transfers hereby authorized will be processed by computer through a system known as "ACB - Electronic Fund Transfer Service", and I/we understand that not additional advice of payment will be provided by my/our bank, but that the details of each payment will be printed on my/our bank statement or any accompanying voucher. (This does not apply where it is not customary for banks to furnish bank statements).

I/we understand that the Department will supply a payment advice in the normal way, and that it will indicate the date on which the funds will be made available on my/our account.

This authority may be cancelled by me/us by giving thirty days' notice by prepaid registered post. Please ensure information is valid as per required bank screens.

I/We understand that bank details provided should be exactly as per the records held by the bank.

I/We understand that the Department will not assume responsibility for any delayed payments, as a result of incorrect information supplied.

Company / Personal Details	
Registered Name	
Trading Name	
Tax number	
Vat Number	
Title	
Initials	
First Names (as per id)	
Surname	

Address Detail	
Postal Address Line 1	
Postal Address Line 2	
Physical Address Line 1	
Physical Address Line 2	
Postal Code	

<input type="checkbox"/> New Supplier Information		<input type="checkbox"/> Update Supplier Information	
Supplier Type	<input type="checkbox"/> Individual <input type="checkbox"/> Department	Department Number <input type="text"/>	
	<input type="checkbox"/> Company <input type="checkbox"/> Trust		
	<input type="checkbox"/> CC <input type="checkbox"/> Other	Other Specify <input type="text"/>	
	<input type="checkbox"/> Partnership		



**Supplier Account Details**

(This field is compulsory and should be completed by a bank official from the relevant bank).

Account Name			
Account Number			
Branch Name Branch			
Number			
Account Type	<input type="checkbox"/>	Cheque/Current Account	
	<input type="checkbox"/>	Savings Account Transmission	
	<input type="checkbox"/>	Account Bond Account	
	<input type="checkbox"/>	Other (Please Specify)	
ID Number	<input type="checkbox"/>	<input type="text"/>	
Passport Number			
Company Registration Number			
*CC Registration			
* Please include CC/CK where applicable			
Practise Number			
<b>When the bank stamps this entity maintenance form they confirm that all the information completed by the entity is correct.</b>	<b>Bank stamp</b>		
	It is hereby confirmed that this detail have been verified against the following screens <b>ABSA</b> -CIF screen <b>FNB</b> -Hogan's system on the CIS4 <b>STD</b> Bank-Look-up-screen <b>Nedbank</b> - Banking Platform under the Client Details Tab		

**Contact Details**

Business			
Home Fax	<i>Area Code</i>	<i>Telephone Number</i>	<i>Extension</i>
Cell	<i>Area Code</i>	<i>Telephone Number</i>	<i>Extension</i>
	<i>Area Code</i>	<i>Telephone Number</i>	
	<i>Cell Code</i>	<i>Cell Number</i>	
E-mail Address			
Contact Person			

	Supplier details	Departmental sender details
<b>Signature</b>		
<b>Print Name</b>		
<b>Rank</b>		
<b>Date (dd/mm/yyyy)</b>		

Address of Agriculture, Land Reform and Rural Development Office where form is submitted from:



# OFFICE OF THE VALUER-GENERAL

## OFFICE OF THE VALUER GENERAL

**Physical Address** - 267 Praetor Forum Building, 3<sup>rd</sup> Floor, Cnr Pretorius and Lillian Ngoyi Street, Pretoria, 0001  
Postal Address Private Bag X 812, Pretoria, 0001

## TERMS OF REFERENCE FOR THE APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE INTERNAL AUDIT SERVICES FOR A PERIOD OF THIRTY-SIX (36) MONTHS

### PHYSICAL ADDRESS:

**Praetor Forum Building**  
3<sup>rd</sup> Floor, 267 Lillian Ngoyi Street  
Pretoria  
2001

## 1. INTRODUCTION AND BACKGROUND

- 1.1 The Office of the Valuer-General (OVG) is inviting potential service providers with suitable technical skills and experience to provide internal audit services for a period of thirty-six months.
- 1.2 The OVG is a National Public Entity listed in terms of Schedule 3(A) of the Public Finance Management Act, thus it operates as a stand-alone entity reporting directly to the Minister of Agriculture, Land Reform and Rural Development.
- 1.3 The OVG has entered into a Memorandum of Agreement (MoA) with the Office of the Chief Registrar of Deeds (OCRD), in terms of which the OCRD temporarily provides corporate support services to the OVG including the usage of financial, supply chain and human resource management systems..
- 1.4 In order to address the gap alluded to above, the OVG is in the process of establishing its own governance structures, systems and processes which will enable the effective execution of it's primary and critical mandate of ensuring high quality and impartial property valuations for the purpose of Land Reform.

## **TERMS OF REFERENCE FOR THE APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE INTERNAL AUDIT SERVICES FOR 36 MONTHS**

1.5 In light of the background alluded to above, there is a legal requirement for the OVG as a newly established entity to establish a fully functional internal audit function which must perform a primary mandate of providing the executive management with a continuous independent and objective assurance that it's set goals and objectives are met. It is further understood by the executive management that the successful establishment of the internal audit function will ensure that the OVG benefits from the available best practices and comply with all the applicable legislations.

1.6 OVG is currently comprised of the following business functions:

- 1.6.1. Project Management Office;
- 1.6.2. Human Capital Services;
- 1.6.3. ICT Services;
- 1.6.4. Strategic Planning and Monitoring;
- 1.6.5. Finance;
- 1.6.6. Supply Chain Management;
- 1.6.7. Risk, Governance and Legal Services
- 1.6.8. Internal Audit Services;
- 1.6.9. Communication Services

## **2. OBJECTIVES**

- 2.1. To appoint a competent and reliable service provider with suitable technical skills and experience to provide internal audit services for a period of thirty-six months; and
- 2.2. To appoint a competent and reliable service provider with suitable technical skills and experience to assist with an establishment of an internal audit function through the setting up of the required systems which will be primarily informed by the Public Finance Management Act and the Standards of the Institute of Internal Auditors.

## **3. SCOPE OF WORK FOR INTERNAL AUDIT**

3.1. It is hereby further brought to the attention of the bidders that the OVG is in line with it's strategic plan in the process of developing and implementing a SAGE Enterprise Resource Planning (SAGE ERP) Solution for the purpose of enhancing efficiency and performance through digitization for almost all the business operations. The ERP is expected to go live on 01 March 2022 and the bidders are required to note that the OVG is pursuing a green environment thus requiring a certain type of skills to be provided.

3.2. The activities outlined below represent at minimum the scope of internal audit function which is expected to be executed by the service provider. The scope of work may not be amended without the written confirmation of the Valuer-General or any official delegated by the Valuer-General. The following activities refer:

**TERMS OF REFERENCE FOR THE APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE INTERNAL AUDIT SERVICES FOR 36 MONTHS**

- 3.2.1. Evaluation of the organisation's systems of internal control with an objective to determine adequacy and effectiveness;
- 3.2.2. Documentation, approval, implementation and a once-off review of the internal audit charter during the duration of the contract;
- 3.2.3. Documentation, approval, implementation and periodic review of the internal audit methodology to inform an execution of all the audits such as risk based, performance, financial and information and technologies;
- 3.2.4. Documentation, approval and periodic review of a three-year rolling Strategic Audit Plan (2021/22 – 2024/25) which must also be informed by an Annual Internal Audit Operational Plan (2021/22);
- 3.2.5. Provision of a reliable and interoperable audit software/tools as well as the data analytics tool at the expense of the service provider to enable an execution of all the applicable audit functions as captured under this section. The successful service provider will be required to hand over all the data collected to the OVG at the end of the contract;
- 3.2.6. Ensure the administrative and functional coordination of the audit and risk committee meetings on a quarterly basis which includes preparation of meeting schedules, preparation and circulation of meeting packs; providing a committee secretariat and other necessary duties, managing where applicable travel and meeting attendance claims and other necessary duties;
- 3.2.7. Preparation of report packs for the quarterly and special audit and risk committee meetings. The role and responsibilities of risk management will be performed by the delegated manager;
- 3.2.8. Execution of any ad-hoc investigations into any matter or activity affecting the priority, interest and operating efficiency of the OVG on request by the Audit and Risk Committee
- 3.2.9. In planning and conducting its work, the successful bidder should seek to identify serious irregularities, which might result in possible fraud; any such irregularities must be reported immediately to the Chief Executive Officer of OVG as well as the Chairperson of the Audit and Risk Committee without disclosing these to any other members of the staff;
- 3.2.10. Execution of all the audit activities (ICT, risk based, financial, performance, consulting, management requests) in compliance with the standards of the Institute of Internal Auditors and international best practices through the provision of a competent project team;
- 3.2.11. A project lead with adequate skills and experience from the successfully appointed service provider will be required to play the role of a chief audit executive. A highly experienced incumbent with 5-7 years of internal audit experience plus 3-5 years of senior management, NQF 8 qualification in the field of Internal Audit and professional accreditation as a Certified Internal Auditor (CIA) is a requirement. All the project team incumbents must be affiliated with a duly recognised professional body and demonstrate a clear understanding of OVG's business environment;

**TERMS OF REFERENCE FOR THE APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE INTERNAL AUDIT SERVICES FOR 36 MONTHS**

- 3.2.12. Review the adequacy and effectiveness of all the internal control systems, risk management and governance systems as informed by OVG's risk universe or profile;
  - 3.2.13. Provide an innovative, responsive and effective value-added Internal Audit function by assisting OVG in evaluating the effectiveness and the efficiency of the Internal Control systems, and compliance with policies and procedures and recommending improvements;
  - 3.2.14. Perform risk based internal audit services based on the approved audit plan;
  - 3.2.15. Engage (follow-up) all the executive managers in respect of all the completed audit reports with an objective to encourage implementation of the remedial actions and report on the status of implementation thereof;
  - 3.2.16. Provide final reports with clear and sound recommendations to the senior and executive management;
  - 3.2.17. Liaise with the external auditors for the purpose of aligning the respective work programs so that, where applicable, the latter may place reliance on the Internal Audit work output;
  - 3.2.18. In carrying the audit work, the project lead must ensure that audit staff maintain their objectivity by remaining independent of the activities of the auditee (OVG);
  - 3.2.19. Performance of advisory and consulting activities which may be at the request of the executive management and the Audit and Risk Committee. The successful bidder will be required to work closely with the Valuation Review and Advisory Committee (VRAC) by rendering as and when required technical advice that is independent and objective relating to the property valuation business;
  - 3.2.20. Provision of an integrated and interoperable software for the period of the contract to enable the execution of the investigation process as per the approved internal audit methodology. It must be clearly noted that the successful service provider will bear a contractual obligation to ensure that all the data produced during the term of the contract must be reliable and handed over to OVG; and
  - 3.2.21. Play a key role in assisting OVG to acquire and implement an interoperable and integrated software which must cater for all the assurance activities (internal audit, risk management and forensic investigations as well as data analysis and audit).
- 3.3.** The activities stated below are addition to the duties to be provided by the service provider in respect of conducting independent forensic investigations. The following items refer:
- 3.3.1. Documentation, approval and implementation of the internal audit charter as mentioned above which must include the function of forensic investigations;
  - 3.3.2. Documentation, approval, and implementation of a clear methodology to be followed in the execution of forensic investigations;
  - 3.3.3. Ensure a permanent establishment of a secure and reliable fraud prevention hotline for OVG;

## **TERMS OF REFERENCE FOR THE APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE INTERNAL AUDIT SERVICES FOR 36 MONTHS**

- 3.3.4. Prepare a report on a frequent basis of all the reported irregular activities which have been reported for the attention of the executive management and the Audit and Risk Committee;
- 3.3.5. Execution of forensic investigations on all the reported matters which have been approved for investigation by the Audit and Risk Committee;
- 3.3.6. Monthly reporting to the executive management meetings on all applicable matters which have been referred to investigations;
- 3.3.7. Quarterly reporting to the Audit and Risk Committee on all matters which have been investigated including special committee meetings where necessary;
- 3.3.8. Perform follow-up and report to the Valuer-General and the ARC on all status of all the recommended remedial actions; and
- 3.3.9. Provision of an integrated and interoperable software for the period of the contract to enable the execution of the audit process as per the approved forensic investigation methodology;
- 3.3.10. Play a key role in assisting OVG to acquire and implement an interoperable and integrated software which must cater for all the assurance activities (internal audit, risk management and forensic investigations as well as data analysis and audit);
- 3.3.11. Establishment of a soundly researched and benchmarked organogram for the internal audit function which must include the function of forensic investigations which must be adequately aligned to OVG's business strategy; and
- 3.3.12. The project lead nominated by the service provider will be expected to play the role of Chief Audit Executive and expected to serve on all the applicable management committees as directed by the approved internal audit charter.

## **4. PROJECT DELIVERABLES**

- 4.1. Provision of an independent and objective professional advice to the Valuation and Review Committee on matters relating to property valuation reports;
- 4.2. Approved Internal Audit Methodology;
- 4.3. Comprehensive Audit Reports aligned to the approved Annual Audit Operational Plan as follows;
  - 4.3.1. ICT Audits
  - 4.3.2. Performance Information Audits
  - 4.3.3. Financial Statements Audits
  - 4.3.4. Valuations Audits
  - 4.3.5. Operations Audits
- 4.4. Comprehensive Reports on Consulting Projects (ad-hoc);
- 4.5. Quarterly Audit and Risk Committee Reports inclusive of the committee's performance;
- 4.6. Approved methodology for the forensic investigations;
- 4.7. Investigation reports for the matters reported during the contract period;
- 4.8. Supply and management of a dedicated Anti-fraud Hotline making a provision for anonymous emails and telephone. Internet of Things may be provided for where possible.
- 4.9. Comprehensive Contract Close-out Audit Report.

## **TERMS OF REFERENCE FOR THE APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE INTERNAL AUDIT SERVICES FOR 36 MONTHS**

### **5. QUALITY ASSURANCE & INDEPENDENCE**

- 4.1. The successfully appointed service provider shall ensure that all work conforms to the standards for the professional practice of internal audit (as per the IIASA). Such work shall further be subjected to external quality assurance as may be considered necessary and appropriate by OVG's Audit and Risk Committee.
- 4.2. In carrying out the work, the successfully appointed service provider must ensure that its staff maintains their objectivity by remaining independent of the activities of OVG.

### **5. SERVICE LEVEL AGREEMENT**

The appointed service provider will be required to enter into a contract and a service level agreement with the Office of the Valuer-General.

### **6. PROJECT MANAGEMENT**

The service provider must provide a clear project plan with deliverables and timeframes for this project.

**NB:** It is hereby declared that the OVG will be issuing tenders for two respective functions namely, internal audit and enterprise risk management services. While the service providers can apply for both tenders, it must be noted that a single successful service provider will not be appointed to simultaneously provide the two services.

### **7. MANDATORY REQUIREMENTS**

#### 7.1. Pre-Qualifying Criteria:

- 7.1.1. The bidder must be a level 2 B-BBEE contributor or higher or;
- 7.1.2. An EME or QSE.
- 7.1.3. The project team members must be registered with the Institute of Internal Auditors, South Africa.
- 7.1.4. The Project Lead must have 5-7 years of experience in the field of internal auditing, plus 3-5 years of experience in senior management, a NQF8 qualification in Internal Auditing as well as the applicable professional certification as either a Chartered Accountant (CASA) or Certified Internal Auditor (CIA).
- 7.1.5. The Project Lead must have a minimum of 5 years of experience in the field of internal auditing, plus a minimum of 2-3 years of experience in the junior or middle management, a NQF8 qualification in Internal Auditing as well as the applicable professional certification as either a Chartered Accountant (CASA) or Certified Internal Auditor (CIA).

## 7.2. MANDATORY REQUIREMENTS

**Bidders must comply with the requirements and submit all required document(s) indicated hereunder with the bid documents at the closing date and time of bid. This phase is not scored and bidders who fail to comply with all the mandatory criteria will be disqualified. The following refer:**

7.2.1. Bidders are required to be registered on the Central Supplier Database and OVG shall verify the bidder's tax compliance status through the Central Supplier Database. Where Consortia / Joint Ventures / Sub-contractors are involved, each party must be registered on the Central Supplier Database and their tax compliance status will be verified through the Central Supplier Database. It is therefore a condition of this bid that the tax matters of the bidder be in order at any point in time from the closing date of the bid. This bid will only be awarded to a bidder(s) whose tax status on Central Supplier Database is compliant.

## 8. EVALUATION CRITERIA

- 8.1. Only bidders who have complied with mandatory requirements will be evaluated for functionality. Bidders must, as part of their bid documents, submit supporting documentation for all functional requirements as indicated hereunder. The Bid Evaluation Committee (BEC) responsible for scoring the respective bids will evaluate and score all bids based on their submissions and the information provided;
- 8.2. The value scored for each criterion will be multiplied with the specified weighting for the relevant criterion to obtain the marks scored for each criterion. These marks will be added and expressed as a fraction of the best possible score for all criteria;
- 8.3. Functionality will be evaluated based on the supporting documentation supplied by the bidders in accordance with the below functionality criteria and values; and
- 8.4. The applicable values that will be utilized when scoring each criterion range from: **1 being Poor, 2 = Average 3 = Good, 4 = Very Good & 5 = Excellent**



**TERMS OF REFERENCE FOR THE APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE INTERNAL AUDIT SERVICES FOR 36 MONTHS**

See the next page for a table with detailed criteria: <b>EVALUATION CRITERIA</b>	<b>GUIDELINES FOR CRITERIA APPLICATION</b>	<b>WEIGHT</b>
<b>ABILITY AND CAPABILITY</b>	<b>Company experience:</b> Experience of the firm in providing Internal Audit services (reference letters under the client-company letter head that confirms that the firm is providing or has previously provided projects of a similar nature in the last 5 years must be attached)	35
<b>PLAN AND METHODOLOGY</b>	Bidders should provide comprehensive project execution plan covering the entire scope of work as well as proposed work schedule, duty sheet/ work plan with clear deliverables and timeframes for each task to be completed	40
	<b>Demonstrate an understanding of OVG’s Business Environment</b> – Provide a proposal or plan that is commensurate with a clear understanding of the public sector.	25
<b>TOTAL POINTS ON FUNCTIONALITY MUST ADD TO 100</b>		<b>100</b>

The table on the next page demonstrates detailed criteria which will be used to allocate scores for the various proposals. **Please see the next page:**

Scoring Criterion	1 Poor	2 Average	3 Good	4 Very Good	5 Excellent
<b>Company experience</b>	No similar projects in the last 5 years.	1 Similar project currently being undertaken or successfully completed in the last 5 years.	2 similar projects currently being successfully completed or successfully completed in the last 5 years.	3 similar projects currently being undertaken or successfully completed in the last 5 years.	4 Or more similar projects currently being undertaken or successfully completed in the last 5 years.
Comprehensive project execution plan covering the entire scope of work as well as proposed work schedule, duty sheet/ work plan with clear deliverables and timeframes for each task to be completed	No methodology or irrelevant methodology	Appropriate methodology that only addresses part of the scope of work	Appropriate methodology that addresses the entire scope of work	Appropriate methodology that addresses the scope of work and proposes value added activities	Appropriate methodology that addresses the entire scope of work and proposes outstanding value-added activities
<b>Demonstrate an understanding of OVG’s Business Environment –</b> Provide a proposal or plan that is commensurate with a clear understanding of the public sector.	No Plan or irrelevant plan	Plan covers few components	Plan covers the minimum components	Plan provides a detailed explanation of the minimum requirements	Plan exceeds the expectations by covering unexpected and providing exceptional details for the additional components

The Bids that fail to achieve a minimum of **70** points out of **100** points for functionality will be disqualified. This means that such bids will not be evaluated on the second stage (Preference Points System).

**8.5. Second Stage - Evaluation in terms of 80/20 Preference Points System**

Only bids that achieve the minimum qualifying score for functionality will be evaluated further in accordance with the 80/20 preference points system. Evaluation in this stage will be done as per the information furnished on the Pricing Schedule (SBD 3.3) and annexure A.

**8.6. Calculating of points for B-BBEE status level of contribution**

Points will be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

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

8.6.1. Bidders are required to complete the preference claim form (SBD 6.1), and submit their original and valid B-BBEE status level verification certificate or a certified copy thereof or a sworn affidavit at the closing date and time of the bid in order to claim the B-BBEE status level point. The points scored by a bidder in respect of the level of B-BBEE contribution will be added to the points scored for price.

## **TERMS OF REFERENCE FOR THE APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE INTERNAL AUDIT SERVICES FOR 36 MONTHS**

- 8.6.2. Bidders who have completed and signed the declaration part of the preference claim form and who have submitted a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS), or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or a sworn affidavit confirming annual turnover and level of black ownership in case of an EME and QSE together with the bid will be considered for preference points. A trust, consortium or joint venture (including unincorporated consortia and joint ventures) must submit a consolidated B-BBEE Status Level Verification Certificate for every separate tender.
- 8.6.3. Failure on the part of the bidder to comply with paragraphs 8.6.1 and 8.6.2 above will be deemed that preference points for B-BBEE status level of contribution are not claimed and will therefore be allocated a zero (0).
- 8.6.4. The Office of the Valuer-General may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made regarding preference.
- 8.6.5. The points scored will be rounded off to the nearest 2 decimals.
- 8.6.6. In the event that two or more bids have scored equal total points, the contract will be awarded to the bidder scoring the highest number of preference points for B-BBEE.
- 8.6.7. However, when functionality is part of the evaluation process and two or more bidders have scored equal points including equal preference points for B-BBEE, the contract will be awarded to the bidder scoring the highest for functionality.
- 8.6.8. Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.
- 8.6.9. A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.
- 8.7. **SUB-CONTRACTING**
- The successful bidder is expected to inform the OVG of the sub-contracting arrangements and access to the sub-contracted entities for purposes of quality, compliance check, security and tax issues.
- 8.8. **COMPULSORY INFORMATION SESSION**
- The compulsory Briefing sessions will be conducted via MS Teams. Those that are interested in attending these sessions, should send an email, requesting the link for the session and the closing time to obtain a link will be, an hour before the session starts. The compulsory Briefing session provides bidders with an opportunity to clarify aspects of the process as set out in this document and to address any substantive issues that bidders may wish to raise.

## TERMS OF REFERENCE FOR THE APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE INTERNAL AUDIT SERVICES FOR 36 MONTHS

### 8.9. SECURITY AND CONFIDENTIALITY OF INFORMATION

The successful Bidders must undertake to disclose information relating to the contract only in terms of the SLA and only to the parties stipulated in the SLA, both during the contract period and subsequently. Information may only be disclosed to outside sources with the prior written approval from the OVG.

### 8.10. TERMS AND CONDITIONS OF THE PROPOSAL

- 8.10.1. Awarding of the proposal will be subject to the Service Provider's expressing acceptance of the OVG Supply Chain Management general contract conditions.
- 8.10.2. The Service Provider should not qualify the proposal with his/her own conditions. Any qualification to the terms and conditions of this quotation will result in disqualifications.
- 8.10.3. Any short coming in the terms of reference which may be identified must be prior to the awarding of the contract. Any short comings identified by the service provider after the contract has been awarded and that would have an impact on the contract price will be for the account of the service provider.
- 8.10.4. Should the service provider not comply with any of the conditions contained in these terms of reference during the contract period, the OVG may cancel the contract within one month notice.
- 8.10.5. The pricing must be fixed for the duration of the contract.
- 8.10.6. The company and its employees may be subjected to positive security vetting and screening.

### 8.11. The Office of the Valuer-General shall:

- 8.11.1. Conduct business in a courteous and professional manner with the Service Provider.
- 8.11.2. Not accept responsibility/liability of accounts/ expenses incurred by the Service Provider that was not agreed upon by the contracting parties.
- 8.11.3. Not accept responsibility/liability of any damages suffered by the Service Provider or the personnel for the duration of the project.
- 8.11.4. The OVG will enter into a Service Level Agreement upon appointment of the suitable Service Provider. These terms and Conditions will also form part of the service level agreement.

## 9. REQUEST FOR FURTHER INFORMATION

All enquiries regarding the bid may be directed to the following:

No.		Contact Person	Contact Details
1.	Technical Enquiries	Mr. Kabelo Moatshe	078 422 2429 <a href="mailto:Kabelo.moatshe@ovg.org.za">Kabelo.moatshe@ovg.org.za</a>
2.	Supply Chain Management Enquiries	Mr. Buti Matjila	082 385 4570 <a href="mailto:Buti.Matjila@dalrrd.gov.za">Buti.Matjila@dalrrd.gov.za</a>

**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)