INVITATION TO BID

BID REFERENCE NUMBER: E 1367

THE SUPPLY OF UNIFORM ITEMS TO BE WORN BY ENVIRONMENTAL MANAGEMENT INSPECTORS AT THE DEPARTMENT OF ENVIRONMENTAL AFFAIRS

Contact person:
Name: Mr Mark Jardine
Office Telephone No: (012) 399 9497
E-MAIL: MJardine@environment.gov.za

NATIONAL TREASURY CENTRAL SUPPLIER DATABASE (CSD) REGISTRATION INFORMATION

<table>
<thead>
<tr>
<th>Company name</th>
<th>Supplier registration number</th>
<th>Unique reference number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Main contractor

Sub-contracted/ joint venture comp 1

Sub-contracted/ joint venture comp 2

Sub-contracted/ joint venture comp 3

Sub-contracted/ joint venture comp 4

CLOSING DATE OF THE BID: 17 February 2017 AT 11H00
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF ENVIRONMENTAL AFFAIRS

BID NUMBER: E 1367  CLOSING DATE: 17-02-2017  CLOSING TIME: 11:00

DESCRIPTION: THE SUPPLY OF UNIFORM ITEMS TO BE WORN BY ENVIRONMENTAL MANAGEMENT INSPECTORS AT THE DEPARTMENT OF ENVIRONMENTAL AFFAIRS

The successful bidder will be required to fill in and sign a written Contract Form (SBD 7).

BID DOCUMENTS SHOULD BE DEPOSITED IN THE BID BOX SITUATED AT: Department of Environmental Affairs; The Environment House, 473 Steve Biko Road; Cnr Soutpansberg and Steve Biko Road, Arcadia Pretoria /Tshwane

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

ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS – (NOT TO BE RE-TYPED)

NB: TWO BID PROPOSALS MUST BE SUBMITTED, CLEARLY MARKED: ORIGINAL AND COPY

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

THE FOLLOWING PARTICULARS MUST BE FURNISHED
(FAILURE TO DO SO MAY RESULT IN YOUR BID BEING DISQUALIFIED)

| NAME OF BIDDER | ........................................................................................................................... |
| POSTAL ADDRESS | ........................................................................................................................... |
| STREET ADDRESS | ........................................................................................................................... |
| TELEPHONE NUMBER | CODE ........... NUMBER ......................................................................................... |
| CELLPHONE NUMBER | ........................................................................................................................... |
| FACSIMILE NUMBER | CODE ........... NUMBER ......................................................................................... |
| E-MAIL ADDRESS | ........................................................................................................................... |
| VAT REGISTRATION NUMBER | ........................................................................................................................... |

HAS AN ORIGINAL AND VALID TAX CLEARANCE CERTIFICATE BEEN SUBMITTED? (SBD 2) YES or NO

HAS A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE BEEN SUBMITTED? (SBD 6.1) YES or NO

IF YES, WHO WAS THE CERTIFICATE ISSUED BY?

AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA) .................................................................................................................. □
A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS); OR .................................................................................. □
A REGISTERED AUDITOR .................................................................................................................. □

[TICK APPLICABLE BOX]
(A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE 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? YES or NO [IF YES ENCLOSE PROOF]

SIGNATURE OF BIDDER …………………………………………………………………………………………………………………………….
DATE ………………………………………………………………………………………………………………………………………………….
CAPACITY UNDER WHICH THIS BID IS SIGNED …………………………………………………………………………………………………………………………….

ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:

Department: Environmental Affairs

Contact Person: Mr Samuel Mofokeng / Mr Renold Mokoena
Tel: (012) 399 9057 or (012) 399 9055
E-mail: SMofokeng@environment.gov.za or RMokoena@environment.gov.za

ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:

Technical Contact Persons:
Name: Mr Mark Jardine
Office Telephone No: (012) 399 9497
E-Mail: Mjardine@environment.gov.za
TAX CLEARANCE CERTIFICATE REQUIREMENTS

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

1. In order to meet this requirement bidders are required to complete in full the attached form TCC 001 “Application for a Tax Clearance Certificate” and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.

2. SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.

3. The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.

4. In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.

5. Copies of the TCC 001 “Application for a Tax Clearance Certificate” form are available from any SARS branch office nationally or on the website www.sars.gov.za.

6. Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.sars.gov.za.
NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED

IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT

Name of bidder…………………………………     Bid number: E1367

Closing Time 11:00                                               Closing date: 17 February 2017

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

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>QUANTITY</th>
<th>DESCRIPTION</th>
<th>BID PRICE IN RSA CURRENCY ** (ALL APPLICABLE TAXES INCLUDED)</th>
</tr>
</thead>
</table>

- Required by: ............................................
- At: .........................................................

- Brand and model ........................................
- Country of origin ........................................

- Does the offer comply with the specification(s)? *YES/NO
- If not to specification, indicate deviation(s) ........................................
- Period required for delivery ........................................
  *Delivery: Firm/not firm

- Delivery basis ...........................................

Note: All delivery costs must be included in the bid price, for delivery at the prescribed destination.

** “all applicable taxes” includes value- added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.

*Delete if not applicable
DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state¹, 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, shareholder², 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.

¹“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.

²“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.

<table>
<thead>
<tr>
<th>Full Name</th>
<th>Identity Number</th>
<th>Personal Income Tax Reference Number</th>
<th>State Employee Number / Personal Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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 2011

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, 2011.

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 R1 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R1 000 000 (all applicable taxes included).

1.2 The value of this bid is estimated to exceed R1 000 000 (all applicable taxes included) and therefore the 90/10 system shall be applicable.

1.3 Preference points for this bid shall be awarded for:

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

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

<table>
<thead>
<tr>
<th>POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRICE</td>
</tr>
<tr>
<td>90………</td>
</tr>
<tr>
<td>B-BBEE STATUS LEVEL OF CONTRIBUTION</td>
</tr>
<tr>
<td>10………</td>
</tr>
</tbody>
</table>

Total points for Price and B-BBEE must not exceed 100

1.4 Failure on the part of a bidder to fill in and/or to sign this form and submit 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 an Accounting Officer as contemplated in the Close Corporation Act (CCA) together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.5 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

2.1 “all applicable taxes” includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
2.2 “B-BBEE” means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;

2.3 “B-BBEE status level of contributor” means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

2.4 “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 services, works or goods, through price quotations, advertised competitive bidding processes or proposals;

2.5 “Broad-Based Black Economic Empowerment Act” means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);

2.6 “comparative price” means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration;

2.7 “consortium or joint venture” means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;

2.8 “contract” means the agreement that results from the acceptance of a bid by an organ of state;

2.9 “EME” means any enterprise with an annual total revenue of R5 million or less.

2.10 “Firm price” means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;

2.11 “functionality” means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;

2.12 “non-firm prices” means all prices other than “firm” prices;

2.13 “person” includes a juristic person;

2.14 “rand value” means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;

2.15 “sub-contract” means the primary contractor’s assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;

2.16 “total revenue” bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the Government Gazette on 9 February 2007;

2.17 “trust” means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and

2.18 “trustee” means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

3. ADJUDICATION USING A POINT SYSTEM
3.1 The bidder obtaining the highest number of total points will be awarded the contract.

3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts.

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

3.4 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.

3.5 However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality.

3.6 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

4. POINTS AWARDED FOR PRICE

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

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

\[
\begin{align*}
P_{80} &= 80 \left( 1 - \frac{P_{t} - P_{\min}}{P_{\min}} \right) \\
P_{90} &= 90 \left( 1 - \frac{P_{t} - P_{\min}}{P_{\min}} \right)
\end{align*}
\]

Where

\[
\begin{align*}
P_{s} &= \text{Points scored for comparative price of bid under consideration} \\
P_{t} &= \text{Comparative price of bid under consideration} \\
P_{\min} &= \text{Comparative price of lowest acceptable bid}
\end{align*}
\]

5. Points awarded for B-BBEE Status Level of Contribution

5.1 In terms of Regulation 5 (2) and 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:

<table>
<thead>
<tr>
<th>B-BBEE Status Level of Contributor</th>
<th>Number of points (90/10 system)</th>
<th>Number of points (80/20 system)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>3</td>
<td>8</td>
<td>16</td>
</tr>
<tr>
<td>4</td>
<td>5</td>
<td>12</td>
</tr>
</tbody>
</table>
5.2 Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA’s approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates.

5.3 Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.

5.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.

5.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.

5.6 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.

5.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.

5.8 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

6. BID DECLARATION

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

7. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.3.1.2 AND 5.1

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

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or an Accounting Officer as contemplated in the CCA).

8 SUB-CONTRACTING
8.1 Will any portion of the contract be sub-contracted?   YES / NO (delete which is not applicable)

8.1.1 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? YES / NO (delete which is not applicable)

9 DECLARATION WITH REGARD TO COMPANY/FIRM

9.1 Name of company/firm ..............................................................................................................  :

9.2 VAT registration number ...........................................................................................................

9.3 Company registration number ................................................................................................

9.4 TYPE OF COMPANY/ FIRM

☐ Partnership/Joint Venture / Consortium
☐ One person business/sole propriety
☐ Close corporation
☐ Company
☐ (Pty) Limited
[TICK APPLICABLE BOX]

9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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

9.6 COMPANY CLASSIFICATION

☐ Manufacturer
☐ Supplier
☐ Professional service provider
☐ Other service providers, e.g. transporter, etc.
[TICK APPLICABLE BOX]

9.7 Total number of years the company/firm has been in business? ...........................................

9.8 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-BBEE status level of contribution indicated in paragraph 7 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 paragraph 7, 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 contribution 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) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, 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. ..........................................

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

SIGNATURE(S) OF BIDDER(S)

2. ..........................................

DATE:....................................

ADDRESS:............................

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

.............................................
TO: ACCOUNTING OFFICERS OF ALL NATIONAL DEPARTMENTS AND CONSTITUTIONAL INSTITUTIONS

ACCOUNTING OFFICERS OF ALL MUNICIPALITIES AND MUNICIPAL ENTITIES

ACCOUNTING AUTHORITIES OF ALL SCHEDULE 2 AND 3 PUBLIC ENTITIES

HEAD OFFICIALS OF PROVINCIAL TREASURIES

INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR THE TEXTILE, CLOTHING, LEATHER AND FOOTWEAR SECTOR

1. PURPOSE

1.1 The purpose of this instruction note is to regulate the environment within which accounting officers (AOs) and accounting authorities (AAs) may procure Textiles, Clothing, Leather and Footwear which have been designated as a sector for local production and content.

2. BACKGROUND

2.1 The Preferential Procurement Regulations, 2011 pertaining to the Preferential Procurement Policy Framework Act, Act No 5 of 2000 which came into effect on 7 December 2011 make provision for the dti to designate sectors in line with national development and industrial policies for local production.

2.2 Regulation 9(1) of the Regulations prescribes that in the case of designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.

2.3 To this end, the dti has designated and determined the stipulated minimum threshold for the Textiles, Clothing, Leather and Footwear sector for local production and content.

3. SECTOR DESIGNATION

3.1 The stipulated minimum threshold percentages for local production and content for the Textiles, Clothing, Leather and Footwear sector is 100%.
3.2. The Designation constitutes sub-sectors from the following (Standardised Industry Classifications) SIC Codes:

<table>
<thead>
<tr>
<th>SIC CODE</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>31111</td>
<td>Preparatory activities in respect of animal fibres, including washing, combing and carding of wool.</td>
</tr>
<tr>
<td>31112</td>
<td>Prep activities for vegetable fibres</td>
</tr>
<tr>
<td>31113</td>
<td>Spin, weave and finishing of yarns and fabrics of wool</td>
</tr>
<tr>
<td>31114</td>
<td>Spin, weave and finishing of yarns and fabrics of vegetable fibres</td>
</tr>
<tr>
<td>31120</td>
<td>Finishing of textiles.</td>
</tr>
<tr>
<td>31210</td>
<td>Manufacture of made-up textiles articles, except apparel.</td>
</tr>
<tr>
<td>31211</td>
<td>Manufacture of blankets etc</td>
</tr>
<tr>
<td>31212</td>
<td>Manufacture of tents, tarpaulins, etc</td>
</tr>
<tr>
<td>31213</td>
<td>Manufacture of automotive textile goods</td>
</tr>
<tr>
<td>31214</td>
<td>Manufacture of made-up textiles articles and fibres except apparel.</td>
</tr>
<tr>
<td>31219</td>
<td>Manufacture of other textile articles</td>
</tr>
<tr>
<td>31220</td>
<td>Manufacture of carpets, rugs and mats.</td>
</tr>
<tr>
<td>31230</td>
<td>Manufacture of cordage, rope, twine and netting.</td>
</tr>
<tr>
<td>31231</td>
<td>Curtaining excluding where the core business of an enterprise is upholstery or furniture.</td>
</tr>
<tr>
<td>31290</td>
<td>Manufacture of other textiles.</td>
</tr>
<tr>
<td>31291</td>
<td>Manufacture of textiles, clothing, leather goods and other textiles.</td>
</tr>
<tr>
<td>31292</td>
<td>Fashion clothing, textiles and footwear manufacture and design.</td>
</tr>
<tr>
<td>31300</td>
<td>Manufacture of knitted and crocheted fabrics and articles.</td>
</tr>
<tr>
<td>31301</td>
<td>Garment &amp; hosiery knitting mills</td>
</tr>
<tr>
<td>31309</td>
<td>Other knitting mills</td>
</tr>
<tr>
<td>31400</td>
<td>Manufacture of wearing apparel, except fur apparel.</td>
</tr>
<tr>
<td>31401</td>
<td>Manufacture of men's &amp; boys' clothing</td>
</tr>
<tr>
<td>31402</td>
<td>Manufacture of women's &amp; girls' clothing</td>
</tr>
<tr>
<td>31403</td>
<td>Bespoke tailoring</td>
</tr>
<tr>
<td>31404</td>
<td>Manufacture of hats etc</td>
</tr>
<tr>
<td>31500</td>
<td>Dressing and dyeing of fur; manufacture of artificial fur, fur apparel and other art.</td>
</tr>
<tr>
<td>31610</td>
<td>Tanning and dressing of leather.</td>
</tr>
<tr>
<td>31620</td>
<td>Manufacture of luggage, handbags and the like, saddlery and harness.</td>
</tr>
<tr>
<td>31621</td>
<td>Manufacture of travel goods</td>
</tr>
</tbody>
</table>
31629 Manufacture of other leather goods
31700 Manufacture of footwear.
31701 Manufacture of footwear from material other than leather.

4. INVITATION OF BIDS FOR THE TEXTILE, CLOTHING, LEATHER AND FOOTWEAR SECTOR

4.1 Bids in respect of Textiles, Clothing, Leather and Footwear must contain a specific bidding condition that:

- only locally produced or locally manufactured Textiles, Clothing, Leather and Footwear from local raw material or input will be considered.
- if the raw material or input to be used for a specific item is not available locally, bidders should obtain written authorisation from the dti should there be a need to import such raw material or input; and
- a copy of the authorisation letter must be submitted together with the bid document at the closing date and time of the bid. Further information, bidders may contact the Clothing, Textile, Footwear and Leather Unit within the dti at telephone 012 394 3717/1390.

4.2 AOs/AAAs must stipulate in bid invitations that:

(i) the exchange rate to be used for the calculation of local production and content must be the exchange rate published by the South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid.
(ii) only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 must be used to calculate local content.

4.3 The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the following formula which must be disclosed in the bid documentation:

\[ LC = (1 - x/y) \times 100 \]

Where
\[ x \] is the imported content in Rand
\[ y \] is the bid price in Rand excluding value added tax (VAT)

Prices referred to in the determination of \( x \) must be converted to Rand (ZAR) by using the exchange rate published by the SARB at 12:00 on the date of advertisement of the bid.

4.4 AOs/AAAs must clearly stipulate in the bid documentation that the SABS approved technical specification number SATS 1286:2011 and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)] are accessible to all potential bidders on the dti’s official website http://www.thedti.gov.za/industrialdevelopment/ip.jsp at no cost.
4.5 For the purpose of paragraphs 4.1, 4.2 and 4.3 above, the attached Declaration Certificates for Local Production and Content (SBD/MBD 6.2) must form part of the bid documentation. The SBD 6.2 is for use by all national and provincial departments, constitutional institutions and public entities listed in schedules 2, 3A, 3B, 3C and 3D to the Public Finance Management Act whilst the MBD 6.2 is for use by all municipalities and municipal entities to which the Municipal Finance Management Act (MFMA) apply.

4.6 AOs/AAs must stipulate in the bid documentation that:

(a) the Declaration Certificate for Local Production and Content (SBD / MBD 6.2) together with the Annex C (Local Content Declaration: Summary Schedule) must be completed, duly signed and submitted by the bidder at the closing date and time of the bid; and

(b) the rates of exchange quoted by the bidder in paragraph 4.1 of the Declaration Certificate will be verified for accuracy.

4.7 Benchmark / market related prices

4.7.1 AOs/AAs are required to ensure that reasonable or market related prices are secured for the Textiles, Clothing, Leather and Footwear, being procured taking into account factors such as benchmark prices, value for money and economies of scale.

4.7.2 For this purpose, AOs/AAs may approach the dti to assist, where possible, with benchmark prices for the Textiles, Clothing, Leather and Footwear that have been designated for local production and content. The dti will be in a position to provide price references for the different products that have been designated for local production and content.

4.8 Bid specifications for the sectors, sub-sectors or products referred to in paragraph 3 above and the price benchmarking referred to in paragraph 4.7 above must be done in collaboration with the dti. Contact information in this regard is provided in paragraph 8 below.

5. EVALUATION OF BIDS FOR TEXTILES, CLOTHING, LEATHER AND FOOTWEAR

5.1 A two stage evaluation process may be followed to evaluate the bids received.

5.1.1 First stage: Evaluation in terms of the stipulated minimum threshold for local production and content

5.1.1.1 Bids must be evaluated in terms of the minimum threshold stipulated in the bid documents.

5.1.1.2 The declaration made by the bidder in the Declaration Certificate for Local Content (SBD / MBD 6.2) and Annex C (Local Content Declaration: Summary Schedule) must be used for this purpose. If the bid is for more than one product, the local content percentages for each product contained in Declaration C must be used.
5.1.1.3 The amendment of the stipulated minimum threshold for local production and content is not allowed.

5.1.1.4 AOs / AAs must ensure that the Declaration Certificate for Local Content (SBD / MBD 6.2) and the Annex C (Local Content Declaration: Summary Schedule) referred to in paragraphs 4.6 (a) and (b) are submitted as part of the bid documentation.

5.1.1.5 The dti has the right to, as and when necessary, request for auditors certificates confirming the authenticity of the declarations made in respect of local content.

5.1.1.6 AOs / AAs must verify the accuracy of the rates of exchange quoted by the bidder in paragraph 4.1 of the Declaration Certificate for Local Content (SBD / MBD 6.2)

5.1.2 Second stage: Evaluation in terms of the 80/20 or 90/10 preference point systems

5.1.2.1 Only bids that achieve the minimum stipulated threshold for local production and content may be evaluated further. The evaluation must be done in accordance with the 80/20 or 90/10 preference point systems prescribed in Preferential Procurement Regulations, 2011.

5.1.2.2 AOs/AAAs must ensure that contracts for Textiles, Clothing, Leather and Footwear are awarded at prices that are market related taking into account, among others, benchmark prices, value for money and economies of scale.

5.1.2.3 Where appropriate, prices may be negotiated with short listed or preferred bidders. Such negotiations must not prejudice any other bidders.

6. EVALUATION OF BIDS BASED ON FUNCTIONALITY

6.1 Whenever it is deemed necessary to evaluate bids on the basis of functionality, the prescripts contained in regulation 4 of the Preferential Procurement Regulations, 2011 and paragraphs 6 and 11 of the Implementation Guide must be followed.

7. POST AWARD AND REPORTING REQUIREMENTS

7.1. Once bids are awarded, the dti must be:
(i) notified of all the successful bidders and the value of the contracts; and
(ii) provided with copies of the contracts, the SBD/MBD 6.2 Certificates together with the Declaration C submitted by the successful bidders.

7.2 The purpose of the requirements of paragraph 7.1 above is for the dti to among others conduct compliance audits with a view to monitor the implementation of the industrial development strategies.

7.3 Contractors must not be allowed to sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.

7.4. Where, after the award of a bid, contractors experience challenges in meeting the stipulated minimum threshold for local content the dti must be informed accordingly in
order for the dti to verify and in consultation with the AO/AA provide directives in this regard.

8. CONTACT INFORMATION

8.1 Any enquiries in respect of Local Production and Content and all documents to be submitted to the dti in respect of paragraph 7.1 above must be directed as follows:

The Department of Trade and Industry
Private Bag X84
Pretoria
0001

For Attention:

Mr Tebogo Makube
Chief Director: Industrial Procurement
Tel: (012) 394 3927
Fax: (012) 394 4927
EMAIL: TMakube@thedti.gov.za

9. APPLICABILITY

9.1 This instruction note applies to all national and provincial departments, constitutional institutions, public entities listed in schedules 2 and 3 to the PFMA and municipalities and municipal entities to which the MFMA apply.

10. DISSEMINATION OF INFORMATION CONTAINED IN THIS INSTRUCTION NOTE

10.1 Heads of provincial treasuries are requested to bring the contents of this instruction note to the attention of accounting officers and supply chain management officials of their respective provincial departments.

10.2 Accounting officers of national and provincial departments are requested to bring the contents of this instruction note to the attention of accounting authorities and the supply chain management officials of Schedule 3A and 3C public entities reporting to their respective executive authorities.

10.3 Accounting officers of municipalities and municipal entities are requested to bring the contents of this instruction note to the attention of the supply chain management officials of their municipalities and municipal entities.

10.4 Accounting authorities of Schedule 2, 3B and 3D public entities are requested to bring the contents of this instruction note to the attention of the supply chain management officials of their public entities.

11. NOTIFICATION TO THE AUDITOR-GENERAL

11.1 A copy of this Instruction Note will be forwarded to the Auditor-General for notification.
12. AUTHORITY FOR THIS INSTRUCTION NOTE AND EFFECTIVE DATE

12.1 This instruction Note is issued in terms of regulation 9(2) of the Preferential Procurement Regulations, 2011 and takes effect on the date of issuance.

PRAVIN J GORDHAN
MINISTER OF FINANCE
DATE: 16-07-2012
Guidance on the calculation of local content of products

1. DEFINITIONS
Unless provided in this guidance, the definitions given in SATS 1286:2011 apply.

2. GENERAL
2.1. Introduction
This document provides tenderers with detailed guidance on how to calculate the local content of products (goods, services and works) by components/material/services and enables them to keep an updated record for verification requirements as required by SATS 1286:2011 Annex A and B.

The guidance consists of two parts:

a. a written guideline; and
b. three declarations that should be completed:
   - Declaration C: "Local Content Declaration - Summary Schedule" (see Annex C)
   - Declaration D: "Imported Content Declaration - Supporting Schedule to Annex C" (see Annex D)
   - Declaration E: "Local Content Declaration - Supporting Schedule to Annex C" (see Annex E)

This guidance and declarations should be used by tenderers when preparing a tender.

A tenderer should first complete Declaration D.

After completing Declaration D, the tenderer should complete Declaration E and then consolidate the information on Declaration C.

Declaration C should be submitted with the tender by the closing date and time determined by the Tender Authority. The Tender Authority reserves the right to request that Declarations D and E also be submitted.
If the tender is successful then the tenderer is required to continuously update Declarations C, D and E with actual values for the duration of the contract.

NOTE:
Annex A is a note to the purchaser in SATS 1286:2011;
Annex B is the Local Content Declaration IN SATS 1286:2011.

2.2. Local content
The local content of a product as given in SATS 1286:2011, is the tender price less the value of imported content, expressed as a percentage. It is therefore necessary to first calculate the imported value of a product in order to determine the local content of such a product.

2.3. Categories: Imported and Local Content

2.3.1. Imported Content
Imported content of a product by components/material/services is divided into two categories:

a) products imported directly by the tenderer and
b) products imported by a third party and supplied to the tenderer.

The imported content, if any, is identified by value for products by component/material/services. In the case of components/materials/services sourced from a South African manufacturer, agent, supplier or subcontractor (i.e. third party), that information and Declaration D should be obtained from the third party.

The imported content of components/materials/services to be used in the manufacture of the total tender quantity of the products can now be calculated.

The requirement of clause 3.2.4 of SATS 1286:2011 applies: “If information on the origin of components, parts or materials is not available, it will be deemed to be imported content.”
2.3.1.1. **Products imported directly by the tenderer:**

When the tenderer imports products directly, the onus is on the tenderer to provide evidence of any components/materials/services that were procured from a non-domestic source. The evidence should be verifiable and pertains to the tender as a whole. Typical evidence will include Customs documentation such as commercial invoices, bills of entry, etc.

When the tenderer procures imported services such as project management, design, testing, marketing, etc. and makes royalty and lease payments, all such payments relating to the tender, should be included when calculating imported content.

2.3.1.2. **Products imported by a third party and supplied to the tenderer:**

When the tenderer supplies components/material/services that are imported by any third party (for example: a domestic manufacturer, agent, supplier or subcontractor in the supply chain), the onus is on the tenderer to obtain verifiable evidence from the third party.

The tenderer must obtain Declaration D from all third parties for the related tender. The tenderer must request that the third party also continuously update Declaration D. Typical evidence of imported content will include Customs documentation such as commercial invoices, bills of entry, etc.

When a third party procures imported services such as project management, design, testing, marketing, etc. and makes royalty and lease payments, all such payments relating to the tender, should be included when calculating imported content.

2.3.1.3. **Exempt Imported Content**

Exemptions, if any, are granted by the Department of Trade and Industry (the dti). Evidence of the exemptions should be provided and included in Annex D.

2.3.2. **Local content**

Identify and calculate the local content, by value for products by components/materials/service's to be used in the manufacture of the total quantity of the products.
3. ANNEX C

3.1. Guidance for completing Declaration C: Local Content Declaration – Summary Schedule

Note: The paragraph numbers correspond to the numbers in Annex C.

C1. Tender Number
Supply the tender number that is specified on the specific tender documentation.

C2. Tender description
Supply the tender description that is specified on the specific tender documentation.

C3. Designated products
Supply the details of the products that are designated in terms of this tender (e.g. buses).

C4. Tender Authority
Supply the name of the tender authority.

C5. Tendering Entity name
Provide the tendering entity name (e.g. Unibody Bus Builders (Pty) Ltd).

C6. Tender Exchange Rate
Provide the exchange rate used for this tender, as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

C7. Specified local content %
Provide the specified minimum local content requirement for the tender (e.g. 80 %), as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

C8. Tender item number
Provide the tender item number(s) of the products that have a local content requirement as per the tender specification.

C9. List of items
Provide a list of the item(s) corresponding with the tender item number. This may be a short description or a brand name.
Calculation of local content

C10. Tender price
Provide the unit tender price of each item excluding VAT.

C11. Exempted imported content
Provide the ZAR value of the exempted imported content for each item, if applicable. These value(s) must correspond with the value(s) of column D16 on Annex D.

C12. Tender value net of exempted imported content
Provide the net tender value of the item, if applicable, by deducting the Exempted imported content (C11) from the Tender price (C10).

C13. Imported value
Provide the ZAR value of the items' imported content.

C14. Local value
Provide the Local value of the item by deducting the Imported value (C13) from the net tender value (C12).

C15. Local content percentage (per item)
Provide the Local content percentage of the item(s) by dividing the Local value (C14) by the net tender value (C12) as per the local content formula in SATS 1286.

Tender Summary

C16. Tender quantity
Provide the tender quantity for each item number as per the tender specification.

C17. Total tender value
Provide the Total tender value by multiplying the Tender quantity (C16) by the Tender price (C10).

C18. Total exempted imported content
Provide the Total exempted imported content by multiplying the Tender quantity (C16) by the Exempted imported content (C11). These values must correspond with the values of column D18 in Declaration D (see Annex D.)
C19. Total imported content
Provide the Total imported content of each item by multiplying the Tender quantity (C16) by the Imported value (C13).

C20. Total tender value
Total tender value is the sum of the values in column C17.

C21. Total exempted imported content
Total exempted imported content is the sum of the values in column C18. This value must correspond with the value of D19 in Declaration D (see Annex D).

C22. Total tender value net of exempted imported content
The Total tender value net of exempted imported content is the Total tender value (C20) less the Total exempted imported content (C21).

C23. Total imported content
Total imported content is the sum of the values in column C19. This value must correspond with the value of D53 in Declaration D (see Annex D).

C24. Total local content
Total local content is the Total Tender value net of exempted imported content (C22) less the Total imported content (C23). This value must correspond with the value of E13 in Declaration E (see Annex E).

C25. Average local content percentage of tender
The average local content percentage of tender is calculated by dividing Total local content (C24) by the Total tender value net of exempted imported content (C22).
4. **ANNEX D**

4.1. **Guidance for completing Declaration D: “Imported Content Declaration – Supporting Schedule to Annex C”**

*Note: The paragraph numbers correspond to the numbers in Annex D.*

**D1. Tender number**
Supply the tender number that is specified on the specific tender documentation.

**D2. Tender description**
Supply the tender description that is specified on the specific tender documentation.

**D3. Designated products**
Supply the details of the products that are designated in terms of this tender (e.g. buses).

**D4. Tender authority**
Supply the name of the tender authority.

**D5. Tendering entity name**
Provide the tendering entity name (e.g. Unibody Bus Builders (Pty) Ltd).

**D6. Tender exchange rate**
Provide the exchange rate used for this tender, as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

**Table A. Exempted Imported Content**

**D7. Tender item number**
Provide the tender item number(s) of the product(s) that have imported content.

**D8. Description of imported content**
Provide a list of the exempted imported product(s), if any, as specified in the tender.

**D9. Local supplier**
Provide the name of the local supplier(s) supplying the imported product(s).
D10. **International supplier**
Provide the name(s) of the international supplier(s) supplying the exempted imported products.

D11. **Imported value as per commercial invoice**
Provide the foreign currency value of the exempted imported product(s) disclosed in the commercial invoice accepted by the South African Revenue Service (SARS).

D12. **Tender exchange rate**
Provide the exchange rate used for this tender as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

D13. **Local value of imports**
Convert the value of the exempted imported content as per commercial invoice (D11) into the ZAR value by using the tender exchange rate (D12) disclosed in the tender documentation.

D14. **Freight costs to port of entry**
Provide the freight costs to the South African port of the exempted imported item, if applicable.

D15. **All locally incurred landing costs and duties**
Provide all landing costs including customs and excise duty for the exempted imported product(s) as stipulated in the SATS 1286:2011.

D16. **Total landed costs excl VAT**
Provide the total landed costs (excluding VAT) for each item imported by adding the corresponding item values in columns D13, D14 and D15. These values must be transferred to column C11 on Declaration C (see Annex C).

D17. **Tender quantity**
Provide the tender quantity of the exempted imported products as per the tender specification.

D18. **Exempted imported value**
Provide the imported value for each of the exempted imported product(s) by multiplying the Total landed cost (excl. VAT) (D16) by the Tender quantity (D17). The values in column D18 must correspond with the values of column C18 in Declaration C (see Annex C).
D19. **Total exempted imported value**
The Total exempted imported value is the sum of the values in column D18. This total must correspond with the value of C21 in Declaration C (see Annex C).

**Table B. Imported Directly By Tenderer**

D20. **Tender item numbers**
Provide the tender item number(s) of the product(s) that have imported content.

D21. **Description of imported content:**
Provide a list of the product(s) imported directly by tender as specified in the tender documentation.

D22. **Unit of measure**
Provide the unit of measure for the product(s) imported directly by the tenderer.

D23. **International supplier**
Provide the name(s) of the international supplier(s) supplying the imported product(s).

D24. **Imported value as per commercial Invoice**
Provide the foreign currency value of the product(s) imported directly by tenderer disclosed in the commercial invoice accepted by the South African Revenue Service (SARS).

D25. **Tender rate of exchange**
Provide the exchange rate used for this tender as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

D26. **Local value of imports**
Convert the value of the product(s) imported directly by the tenderer as per commercial invoice (D24) into the ZAR value by using the tender exchange rate (D25) disclosed in the tender documentation.

D27. **Freight costs to port of entry**
Provide the freight costs to the South African port of the product(s) imported directly by the tenderer, if applicable.
D28. **All locally incurred landing costs and duties**
Provide all landing costs including customs and excise duty for the product(s) imported directly by the tenderer as stipulated in the SATS 1286:2011.

D29. **Total landed costs excl VAT**
Provide the total landed costs (excluding VAT) for each item imported directly by the tenderer by adding the corresponding item values in columns D26, D27 and D28.

D30. **Tender quantity:**
Provide the tender quantity of the product(s) imported directly by the tenderer as per the tender specification.

D31. **Total imported value**
Provide the total imported value for each of the product(s) imported directly by the tenderer by multiplying the Total landed cost (excl. VAT) (D29) by the Tender quantity (D30).

D32. **Total imported value by tenderer**
The Total value of imports by the tenderer is the sum of the values in column D31.

### Table C. Imported by Third Party and Supplied to the Tenderer

D33. **Description of imported content**
Provide a list of the product(s) imported by the third party and supplied to the tenderer as specified in the tender documentation.

D34. **Unit of measure**
Provide the unit of measure for the product(s) imported by the third party and supplied to tenderer as disclosed in the commercial invoice.

D35. **Local supplier**
Provide the name of the local supplier(s) supplying the imported product(s).

D36. **International supplier**
Provide the name(s) of the international supplier(s) supplying the imported products.
D37. **Imported value as per commercial invoice**
Provide the foreign currency value of the product(s) imported by the third party and supplied to the tenderer disclosed in the commercial invoice accepted by the South African Revenue Service (SARS).

D38. **Tender rate of exchange**
Provide the exchange rate used for this tender as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

D39. **Local value of imports**
Convert the value of the product(s) imported by the third party as per commercial invoice (D37) into the ZAR value by using the tender exchange rate (D38) provided in the tender documentation.

D40. **Freight costs to port of entry**
Provide the freight costs to the South African port of the product(s) imported by third party and supplied to the tenderer, if applicable.

D41. **All locally incurred landing costs and duties**
Provide all landing costs including customs and excise duty for the product(s) imported by third party and supplied to the tenderer as required by SATS 1286:2011.

D42. **Total landed costs excluding VAT**
Provide the total landed costs (excluding VAT) for each product imported by third party and supplied to the tenderer by adding the corresponding item values in columns D39, D40 and D41.

D43. **Quantity imported**
Provide the quantity of each product(s) imported by third party and supplied to the tenderer for the tender.

D44. **Total imported value**
Provide the total imported value of the product(s) imported by third party and supplied to the tenderer by multiplying the Total landed cost (D42) by the Quantity imported (D43).

D45. **Total imported value by third party**
The Total imported value from the third party is the sum of the values in column D44.
**Table D. Other Foreign Currency Payments**

**D46. Type of payment**
Provide the type of foreign currency payment. (e.g. royalty payment for use of patent, annual licence fee, etc.).

**D47. Local supplier making the payment**
Provide the name of the local supplier making the payment.

**D48. International beneficiary**
Provide the name of the international beneficiary.

**D49. Foreign currency value paid**
Provide the value of the listed payment(s) in their foreign currency.

**D50. Tender rate of exchange**
Provide the exchange rate used for this tender as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

**D51. Local value of payments**
Provide the local value of each payment by multiplying the Foreign currency value paid (D49) by the Tender rate of exchange (D50).

**D52. Total of foreign currency payments declared by tenderer and/or third party**
The Total of foreign currency payments declared by the tenderer and/or a third party is the sum of the values in column D51.

**D53. Total of imported content and foreign currency payment**
The Total imported content and foreign currency payment is the sum of the values in column D32, D45 and D52. This value must correspond with the value of C23 in Declaration C (see Annex C)
5. ANNEX E

5.1. Guidance for completing Declaration E: “Local Content Declaration-Supporting Schedule to Annex C”

The paragraph numbers correspond to the numbers in Annex E

E1. Tender number
Supplied the tender number that is specified on the specific tender documentation.

E2. Tender description
Supply the tender description that is specified on the specific tender documentation.

E3. Designated products
Supply the details of the products that are designated in terms of this tender (e.g. buses/Canned vegetables)

E4. Tender authority
Supply the name of the tender authority

E5. Tendering entity name
Provide the tendering entity name (e.g. Unibody Bus Builders (Pty) Ltd Ltd).

Local Goods, Services and Works

E6. Description of items purchased
Provide a description of the items purchased locally in the space provided.

E7. Local supplier
Provide the name of the local supplier that corresponds to the item listed in column E6.

E8. Value
Provide the total value of the item purchased in column E6.

E9. Total local products (Goods, Services and Works)
Total local products (Goods, Services and Works) are the sum of the values in E8.
E10. **Manpower costs:**
Provide the total of all the labour costs accruing only to the tenderer (i.e. not the suppliers to tenderer).

E11. **Factory overheads:**
Provide the total of all the factory overheads including rental, depreciation and amortisation for local and imported capital goods, utility costs and consumables. Consumables are goods used by individuals and businesses that must be replaced regularly because they wear out or are used up. Consumables can also be defined as the components of an end product that are used up or permanently altered in the process of manufacturing, such as basic chemicals.

E12. **Administration overheads and mark-up:**
Provide the total of all the administration overheads including marketing, insurance, financing, interest and mark-up costs.

E13. **Total local content:**
The Total local content is the sum of the values of E9, E10, E11 and E12. This total must correspond with C24 in Declaration C (see Annex C).

6. **CONTACT DETAILS**
Name:
Tel no:
Fax no:
Email:
DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS

This Standard Bidding Document (SBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2011, the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

1. General Conditions

1.1. Preferential Procurement Regulations, 2011 (Regulation 9) makes provision for the promotion of local production and content.

1.2. Regulation 9.(1) prescribes that in the case of designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.

1.3. Where necessary, for bids referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.

1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.

1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

\[ LC = \left[ 1 - \frac{x}{y} \right] * 100 \]

Where

\( x \) is the imported content in Rand
\( y \) is the bid price in Rand excluding value added tax (VAT)

Prices referred to in the determination of \( x \) must be converted to Rand (ZAR) by using the exchange rate published by South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid as indicated in paragraph 4.1 below.

1.6. A bid may be disqualified if this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation;

2. Definitions

2.1. “bid” includes written price quotations, advertised competitive bids or proposals;

2.2. “bid price” price offered by the bidder, excluding value added tax (VAT);

2.3. “contract” means the agreement that results from the acceptance of a bid by an organ of state;

2.4. “designated sector” means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;

2.5. “duly sign” means a Declaration Certificate for Local Content that has been signed by the Chief Financial Officer or other legally responsible person nominated in writing by the Chief Executive, or senior member / person with management responsibility(close corporation, partnership or individual).

2.6. “imported content” means that portion of the bid price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad (this includes labour or intellectual property costs), plus freight and other direct importation costs, such as landing costs, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry;

2.7. “local content” means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place;

2.8. “stipulated minimum threshold” means that portion of local production and content as determined by the Department of Trade and Industry; and

2.9. “sub-contract” means the primary contractor’s assigning, leasing, making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.

3. The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:

<table>
<thead>
<tr>
<th>Description of services, works or goods</th>
<th>Stipulated minimum threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uniform items</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>%</td>
</tr>
<tr>
<td></td>
<td>%</td>
</tr>
</tbody>
</table>
4. Does any portion of the services, works or goods offered have any imported content?
   (Tick applicable box)
   
   YES  NO

4.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by SARB for the specific currency at 12:00 on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on www.reservebank.co.za

Indicate the rate(s) of exchange against the appropriate currency in the table below (refer to Annex A of SATS 1286:2011):

<table>
<thead>
<tr>
<th>Currency</th>
<th>Rates of exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Dollar</td>
<td></td>
</tr>
<tr>
<td>Pound Sterling</td>
<td></td>
</tr>
<tr>
<td>Euro</td>
<td></td>
</tr>
<tr>
<td>Yen</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

NB: Bidders must submit proof of the SARB rate(s) of exchange used.

5. Where, after the award of a bid, challenges are experienced in meeting the stipulated minimum threshold for local content the dti must be informed accordingly in order for the dti to verify and in consultation with the AO/AA provide directives in this regard.

LOCAL CONTENT DECLARATION
(REFER TO ANNEX B OF SATS 1286:2011)

LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)

IN RESPECT OF BID NO. .................................................................

ISSUED BY: (Procurement Authority / Name of Institution):

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

NB

1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.

2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on http://www.thditi.gov.za/industrial_development/ip.jsp. Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below. Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations...
C, D and E with the actual values for the duration of the contract.

I, the undersigned, ………………………………………………………………………. (full names), do hereby declare, in my capacity as ………………………………………. ……….. of …………………………………………………………………………..(name of bidder entity), the following:

(a) The facts contained herein are within my own personal knowledge.

(b) I have satisfied myself that:

(i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and

(c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

<table>
<thead>
<tr>
<th>Bid price, excluding VAT (y)</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imported content (x), as calculated in terms of SATS 1286:2011</td>
<td>R</td>
</tr>
<tr>
<td>Stipulated minimum threshold for local content (paragraph 3 above)</td>
<td></td>
</tr>
<tr>
<td>Local content %, as calculated in terms of SATS 1286:2011</td>
<td></td>
</tr>
</tbody>
</table>

If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above. The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E.

(d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.

(e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 13 of the Preferential Procurement Regulations, 2011 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

SIGNATURE: _________________ DATE: __________

WITNESS No. 1 _________________ DATE: __________

WITNESS No. 2 _________________ DATE: __________
### Annex C

#### Local Content Declaration - Summary Schedule

<table>
<thead>
<tr>
<th>Tender No.</th>
<th>Tender description:</th>
<th>Designated product(s)</th>
<th>Tender Authority:</th>
<th>Tendering Entity name:</th>
<th>Tender Exchange Rate:</th>
<th>Specified local content %</th>
</tr>
</thead>
</table>

#### Calculation of local content

<table>
<thead>
<tr>
<th>Tender item no's</th>
<th>List of items</th>
<th>Tender price - each (excl VAT)</th>
<th>Exempted imported value</th>
<th>Tender value net of exempted imported content</th>
<th>Imported value</th>
<th>Local value</th>
<th>Local content % (per item)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(C8)</td>
<td>(C9)</td>
<td>(C10)</td>
<td>(C11)</td>
<td>(C12)</td>
<td>(C13)</td>
<td>(C14)</td>
<td>(C15)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Tender summary

<table>
<thead>
<tr>
<th>Tender</th>
<th>Total tender value</th>
<th>Total exempted imported content</th>
<th>Total Imported content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qty</td>
<td>(C16)</td>
<td>(C17)</td>
<td>(C18)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| (C20) Total tender value | R 0 |
| (C21) Total Exempt imported content | R 0 |
| (C22) Total Tender value net of exempt imported content | R 0 |
| (C23) Total Imported content | R 0 |
| (C24) Total local content | R 0 |
| (C25) Average local content % of tender | |

---

**Note:** VAT to be excluded from all calculations

---

Signature of tenderer from Annex B

Date: ____________________________

---

Page 41 of 84
A. Exempted imported content

<table>
<thead>
<tr>
<th>Tender item no's</th>
<th>Description of imported content</th>
<th>Local supplier</th>
<th>Overseas Supplier</th>
<th>Foreign currency value as per Commercial Invoice</th>
<th>Tender Exchange Rate</th>
<th>Local value of imports</th>
<th>Freight costs to port of entry</th>
<th>All locally incurred costs &amp; duties</th>
<th>Total landed cost excl VAT</th>
<th>Exempted imported value</th>
</tr>
</thead>
<tbody>
<tr>
<td>(D27)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** VAT to be excluded from all calculations

B. Imported directly by the Tenderer

<table>
<thead>
<tr>
<th>Tender item no's</th>
<th>Description of imported content</th>
<th>Unit of measure</th>
<th>Overseas Supplier</th>
<th>Foreign currency value as per Commercial Invoice</th>
<th>Tender Rate of Exchange</th>
<th>Local value of imports</th>
<th>Freight costs to port of entry</th>
<th>All locally incurred costs &amp; duties</th>
<th>Total landed cost excl VAT</th>
<th>Total imported value</th>
</tr>
</thead>
<tbody>
<tr>
<td>(D28)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

C. Imported by a 3rd party and supplied to the Tenderer

<table>
<thead>
<tr>
<th>Description of imported content</th>
<th>Unit of measure</th>
<th>Local supplier</th>
<th>Overseas Supplier</th>
<th>Foreign currency value as per Commercial Invoice</th>
<th>Tender Rate of Exchange</th>
<th>Local value of imports</th>
<th>Freight costs to port of entry</th>
<th>All locally incurred costs &amp; duties</th>
<th>Total landed cost excl VAT</th>
<th>Total imported value</th>
</tr>
</thead>
<tbody>
<tr>
<td>(D33)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

D. Other foreign currency payments

<table>
<thead>
<tr>
<th>Type of payment</th>
<th>Local supplier making the payment</th>
<th>Overseas beneficiary</th>
<th>Foreign currency value paid</th>
<th>Tender Rate of Exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td>(D46)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Signature of tenderer from Annex B

Date: ____________________________

This total must correspond with Annex C - C 23

Page 42 of 84
Annex E

Local Content Declaration - Supporting Schedule to Annex C

<table>
<thead>
<tr>
<th>Local Products (Goods, Services and Works)</th>
<th>Description of items purchased</th>
<th>Local suppliers</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(E6)</td>
<td>(E7)</td>
<td>(E8)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(E9) Total local products (Goods, Services and Works) R 0

(E10) Manpower costs (Tenderer's manpower cost) R 0

(E11) Factory overheads (Rental, depreciation & amortisation, utility costs, consumables etc.) R 0

(E12) Administration overheads and mark-up (Marketing, insurance, financing, interest etc.) R 0

(E13) Total local content R 0

This total must correspond with Annex C - C24

Signature of tenderer from Annex B

Date: ________________________________
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.

<table>
<thead>
<tr>
<th>Item</th>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>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? <strong>(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 audi alteram partem rule was applied).</strong></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1.1</td>
<td>If so, furnish particulars:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2</td>
<td>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)? <strong>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.</strong></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>4.2.1</td>
<td>If so, furnish particulars:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.3</td>
<td>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?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>4.3.1</td>
<td>If so, furnish particulars:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.4</td>
<td>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?</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
4.4.1 If so, furnish particulars:

SBD 8

CERTIFICATION

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

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

............................................  ........................................
Signature        Date

............................................  ........................................
Position        Name of Bidder
CERTIFICATE OF INDEPENDENT BID DETERMINATION

1. This Standard Bidding Document (SBD) must form part of all bids¹ 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).² Collusive bidding is a pe se prohibition meaning that it cannot be justified under any grounds.

3. Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
   a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution’s supply chain management system and or committed fraud or any other improper conduct in relation to such system.
   b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.

4. This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.

5. In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.

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

I, the undersigned, in submitting the accompanying bid:

________________________________________________________________________

(Bid Number and Description)

in response to the invitation for the bid made by:

______________________________________________________________________________

(Name of Institution)

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

I certify, on behalf of:______________________________________________ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word “competitor” shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:

   (a) has been requested to submit a bid in response to this bid invitation;
   (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
   (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium\(^3\) 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.

\(^3\) 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

TERMS OF REFERENCE FOR THE SUPPLY OF UNIFORM ITEMS TO BE WORN BY ENVIRONMENTAL MANAGEMENT INSPECTORS AT THE DEPARTMENT OF ENVIRONMENTAL AFFAIRS
TABLE OF CONTENTS

1. Purpose
2. Introduction and Background
3. Objectives of the proposal
4. Scope and extent of work
5. Expected deliverables/outcomes
6. Period/Duration of project/assignment
7. Costing/Comprehensive budget
8. Mandatory requirements
9. Special conditions of contract
10. Payment terms
11. Technical enquiries
12. Evaluation criteria
1. PURPOSE
Environmental Management Inspectors (EMIs) are required to wear an official uniform. The purpose of this document is to provide the terms of reference for a service provider who will manufacture and supply uniform items to the EMIs at the Department of Environmental Affairs (the Department) according to the terms and conditions set out in this Terms of Reference.

2. INTRODUCTION AND BACKGROUND
The official uniform of the Environmental Management Inspectorate is critical to establish a distinctive and recognisable brand for officials forming a part of this environmental compliance and enforcement network. The utilisation of properly branded uniform and equipment reinforces the legislative authority and service commitment of these officials, and increases the awareness amongst the public and the regulated community of the presence of this law enforcement authority.

The Department has developed an EMI Uniform Technical Specification Manual (the manual) which sets out the technical specifications for the manufacture and supply of uniform items in accordance with the Inspectorate’s requirements. DEA seeks the services of a service provider that can manufacture and supply the EMI uniforms for officials working at the Department.

A copy of the manual is attached hereto as Annexure A.

3. OBJECTIVES
The overall objective of this project is for the manufacture and supply of uniforms for the EMIs employed by the Department.

4. SCOPE AND EXTENT OF WORK
The service provider is required to manufacture and supply the following uniform items to the specifications contained in the manual. Numbers below reflect the number of items to be received by each official based on a total of 105 officials.
### 4.1 Men’s EMI Uniform Range

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Colour</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Men’s blazer</td>
<td>Black</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Men’s formal pants</td>
<td>Black</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Men’s formal long-sleeve shirt</td>
<td>White</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>Men’s formal long-sleeve shirt</td>
<td>Black</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>Men’s formal short-sleeve shirt</td>
<td>Black</td>
<td>2</td>
</tr>
<tr>
<td>6</td>
<td>Men’s formal short-sleeve shirt</td>
<td>White</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Men’s Tie</td>
<td>Black</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>Men’s short-sleeve golfer</td>
<td>Black</td>
<td>2</td>
</tr>
<tr>
<td>9</td>
<td>Men’s short-sleeve golfer</td>
<td>White</td>
<td>2</td>
</tr>
<tr>
<td>10</td>
<td>Men’s long-sleeve golfer</td>
<td>Black</td>
<td>1</td>
</tr>
<tr>
<td>11</td>
<td>Men’s long-sleeve golfer</td>
<td>White</td>
<td>1</td>
</tr>
<tr>
<td>12</td>
<td>Men’s Fleece with Zip</td>
<td>Black</td>
<td>1</td>
</tr>
<tr>
<td>13</td>
<td>Unisex Dri-Mac</td>
<td>Black</td>
<td>1</td>
</tr>
<tr>
<td>14</td>
<td>Men’s sleeveless bodywarmer</td>
<td>Black</td>
<td>1</td>
</tr>
<tr>
<td>15</td>
<td>Men’s field shirt with epaulettes</td>
<td>Khaki/Olive</td>
<td>2</td>
</tr>
<tr>
<td>16</td>
<td>Men’s zip-off tech pants</td>
<td>Khaki</td>
<td>1</td>
</tr>
<tr>
<td>17</td>
<td>Men’s cargo trousers</td>
<td>Khaki/Olive</td>
<td>2</td>
</tr>
<tr>
<td>18</td>
<td>Men’s cargo shorts</td>
<td>Khaki/Olive</td>
<td>1</td>
</tr>
<tr>
<td>19</td>
<td>Unisex sleeveless hunter jacket (no hood)</td>
<td>Khaki/Olive</td>
<td>-</td>
</tr>
<tr>
<td>20</td>
<td>Unisex sleeveless hunter jacket (hood)</td>
<td>Khaki/Olive</td>
<td>1</td>
</tr>
<tr>
<td>21</td>
<td>Unisex bush jacket</td>
<td>Khaki/Olive</td>
<td>1</td>
</tr>
<tr>
<td>22</td>
<td>EMI Cap</td>
<td>Khaki/Black</td>
<td>2</td>
</tr>
<tr>
<td>23</td>
<td>EMI Beanie</td>
<td>Khaki/Black</td>
<td>1</td>
</tr>
<tr>
<td>24</td>
<td>EMI Wide Brim Hat</td>
<td>Khaki/Black</td>
<td>1</td>
</tr>
<tr>
<td>25</td>
<td>One-Piece Conti Suit</td>
<td>Khaki/Olive</td>
<td>1</td>
</tr>
<tr>
<td>26</td>
<td>Two-Piece Conti Suit</td>
<td>Khaki/Olive</td>
<td>-</td>
</tr>
<tr>
<td>27</td>
<td>One-Piece MX40</td>
<td>Khaki</td>
<td>1</td>
</tr>
<tr>
<td>28</td>
<td>Two-Piece MX40</td>
<td>Khaki</td>
<td>-</td>
</tr>
<tr>
<td>29</td>
<td>Reflective Vest</td>
<td>Green</td>
<td>1</td>
</tr>
</tbody>
</table>

### 4.2 Women’s EMI Uniform Range

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Colour</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Women’s blazer</td>
<td>Black</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Women’s formal pants (straight leg)</td>
<td>Black</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Women’s formal pants</td>
<td>Black</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>Women’s formal long-sleeve shirt</td>
<td>White</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Description</td>
<td>Color</td>
<td>Quantity</td>
</tr>
<tr>
<td>---</td>
<td>------------------------------------------------------</td>
<td>----------------</td>
<td>----------</td>
</tr>
<tr>
<td>5</td>
<td>Women’s formal long-sleeve shirt</td>
<td>Black</td>
<td>2</td>
</tr>
<tr>
<td>6</td>
<td>Women’s formal short-sleeve shirt</td>
<td>Black</td>
<td>2</td>
</tr>
<tr>
<td>7</td>
<td>Women’s formal short-sleeve shirt</td>
<td>White</td>
<td>2</td>
</tr>
<tr>
<td>8</td>
<td>Women’s formal three-quarters shirt</td>
<td>Black</td>
<td>1</td>
</tr>
<tr>
<td>9</td>
<td>Women’s formal three-quarters shirt</td>
<td>White</td>
<td>1</td>
</tr>
<tr>
<td>10</td>
<td>Women’s Tie</td>
<td>Black</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td><strong>Smart Casual</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Women’s short-sleeve golfer</td>
<td>Black</td>
<td>2</td>
</tr>
<tr>
<td>12</td>
<td>Women’s short-sleeve golfer</td>
<td>White</td>
<td>2</td>
</tr>
<tr>
<td>13</td>
<td>Women’s long-sleeve golfer</td>
<td>Black</td>
<td>1</td>
</tr>
<tr>
<td>14</td>
<td>Women’s long-sleeve golfer</td>
<td>White</td>
<td>1</td>
</tr>
<tr>
<td>15</td>
<td>Women’s Fleece with Zip</td>
<td>Black</td>
<td>1</td>
</tr>
<tr>
<td>16</td>
<td>Unisex Dri-Mac</td>
<td>Black</td>
<td>1</td>
</tr>
<tr>
<td>17</td>
<td>Women’s sleeveless bodywarmer</td>
<td>Black</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td><strong>Field Wear</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Women’s field shirt with epaulettes</td>
<td>Khaki/Olive</td>
<td>2</td>
</tr>
<tr>
<td>21</td>
<td>Women’s field shirt (no epaulettes)</td>
<td>Khaki/Olive</td>
<td>2</td>
</tr>
<tr>
<td>22</td>
<td>Women’s zip-off tech pants</td>
<td>Khaki</td>
<td>1</td>
</tr>
<tr>
<td>23</td>
<td>Women’s cargo trousers</td>
<td>Khaki/Olive</td>
<td>2</td>
</tr>
<tr>
<td>24</td>
<td>Women’s cargo shorts</td>
<td>Khaki/Olive</td>
<td>1</td>
</tr>
<tr>
<td>25</td>
<td>Unisex sleeveless hunter jacket (no hood)</td>
<td>Khaki/Olive</td>
<td>-</td>
</tr>
<tr>
<td>26</td>
<td>Unisex sleeveless hunter jacket (hood)</td>
<td>Khaki/Olive</td>
<td>1</td>
</tr>
<tr>
<td>27</td>
<td>Unisex bush jacket</td>
<td>Khaki/Olive</td>
<td>1</td>
</tr>
<tr>
<td>28</td>
<td>EMI Cap</td>
<td>Khaki/Black</td>
<td>2</td>
</tr>
<tr>
<td>29</td>
<td>EMI Beanie</td>
<td>Khaki/Black</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td><strong>Technical Protective Clothing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>One-Piece Conti Suit</td>
<td>Khaki/Olive</td>
<td>1</td>
</tr>
<tr>
<td>31</td>
<td>Two-Piece Conti Suit</td>
<td>Khaki/Olive</td>
<td>-</td>
</tr>
<tr>
<td>32</td>
<td>One-Piece MX40</td>
<td>Khaki MX40</td>
<td>1</td>
</tr>
<tr>
<td>33</td>
<td>Two-Piece MX40</td>
<td>Khaki MX40</td>
<td>-</td>
</tr>
<tr>
<td>34</td>
<td>Reflective Vest</td>
<td>Green</td>
<td>1</td>
</tr>
</tbody>
</table>

5. **EXPECTED OUTCOMES**

The service provider will be required to manufacture and supply the EMI Uniform items set out above for 105 DEA EMIs; according to the EMI Uniform Specifications Manual.

6. **PERIOD / DURATION OF PROJECT / ASSIGNMENT**

The contract period for the manufacture and supply of EMI uniform will be a maximum period of 6 (six) months.
7. **COSTING / COMPREHENSIVE BUDGET**

A comprehensive budget must be provided inclusive of all disbursement costs, expenses and VAT.

8. **SPECIAL CONDITIONS OF CONTRACT**

8.1. The Service Provider will manufacture and supply the EMI uniform items in accordance with the EMI Uniform Technical Specifications Manual (including fabric type, weight, sizing and colour) as well as with the relevant SABS standards. The manufacture and supply of the EMI uniform items must meet the stipulated minimum threshold for local production and content as calculated in 12.1 below.

8.2. The uniform items will be cut and made with first-class workmanship throughout and will be free from defects that affect their appearance or serviceability, and from marks, spots and stains incurred in the marking up. All seams and stitching will be smooth, uniform and free from twists, pleats and puckers (crinkles), and will be sufficiently extensible to prevent cracking and undue shrinkage in use. All ends of sewing are to be trimmed and the loose threads removed; and those that are not secured in seams or in other sewing will be adequately back-tracked. The uniform items will be of a uniform and acceptable composition, colour (including the matching of the shades of the component parts) and finish.

8.3. The Service Provider will submit monthly progress reports within 4 days after the end of each month for the duration of the project as well as a final report to the Programme manager within 2 weeks of the completion of the project. Progress reports must be submitted monthly in soft copy. Failure to submit the required reports on time will result in penalties.

8.4. The Programme manager shall do the ongoing management of the Service agreement.
8.5. The Service Provider must guarantee the participation of a person with an appropriate level of skills, knowledge and experience to deliver the outcomes as set out in 5 above throughout the duration of the contract.

8.6. All the conditions specified in the General Conditions of Contract (GCC) will apply and where the conditions in the special conditions of contract contradicts the conditions in the general conditions of contract the special conditions of contract will prevail.

8.7. Please take note that DEA is not bound to select any of the firms submitting proposals. DEA reserves the right not to award any of the bids and not to award the contract to the lowest bidding price.

8.8. Bidders must score a minimum of 75% for stage 1 (functionality/technical) of the evaluation to qualify for stage 2 (price and B-BBEE) of the evaluation.

8.9. The proposal should include, amongst other, the following:
   - A proposed plan of action;
   - A list of references;
   - Ability to ensure sufficient and continuity of staff on the project.

8.10. The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate may result in the invalidation of the bid.

8.11. Certified copies of the Tax Clearance Certificate will not be acceptable.

8.12. In bids where Consortia/Joint Ventures/Sub-contractors are involved, such must be clearly indicated and each party must submit a separate Tax Clearance Certificate before the Adjudication Committee. Failure to submit the original and valid Tax Clearance Certificate may result in the invalidation of the bid.

8.13. The Curriculum Vitae of the staff who will be available for the duration of the work must be attached.
8.14. The bid proposals should be submitted with all required information containing technical information.

8.15. DEA Entity Maintenance form included in the bid documents must be completed and returned with the bid proposals.

8.16. Bidders must be prepared to work at rates not exceeding those prescribed by the office of the Auditor-General or the Department of Public Service and Administration (DPSA).

8.17. A breakdown of the hourly tariff inclusive of value-added tax for services rendered. Expenditure incurred without the prior approval of the Programme manager will not be reimbursed.

8.18. DEA will not be held responsible for any costs incurred by the bidder in the preparation, presentation and submission of the bids.

8.19. Travelling costs and time spent or incurred between home and office of consultants and DEA office will not be for the account of DEA.

8.20. Intellectual property rights will remain the property of DEA.

Bidders must submit two identical proposals for each bid clearly marked “original” and “copy”. Prospective bidders must submit their bid proposals in two envelopes:

a) One envelope with the technical proposal including the following:
   - A valid and original Tax Clearance Certificate issued by SARS.
   - Entity registration Certificate (CK1)
   - A response to the terms of reference.
   - A project plan that states the methodology and approach for accomplishing the task, project phases if applicable, time frames and outputs (excluding cost for the project).
   - Profile of the company and description of similar work undertaken,
   - Numbers, names and CVs of consultants assigned to the project, including their roles and responsibilities,
• Agreement between service providers in the case of a joint venture/Consortium
• Letter of authority to sign documents on behalf of the company/joint venture/Consortium

b) The other envelope with the financial proposal (pricing schedule (SBD3.3) or other spread sheets with all cost related items, cost breakdown) (original)

8.21. Before any work can commence the service level agreement must be signed by both parties (DEA and the successful bidder), as well as the issue of an official order and should there be any dispute regarding the finalisation of the agreement, DEA reserves the right to cancel the contract with no cost implications for the Department.

8.22. The evaluation of Bids can only be done on the basis of information required by the Department.

8.23. The Service Provider is requested to submit the original and valid B-BBEE Status Level Verification Certificate or certified copies thereof issued by verification agencies accredited by SANAS or registered auditors approved by IRBA together with their bids, to substantiate their B-BBEE rating claims, failing which the B-BBEE preference points claimed will be forfeited.

8.24. Bidders who do not submit B-BBEE Status Level Verification Certificates or are non-compliant contributors to B-BBEE do not qualify for preference points for B-BBEE but will not be disqualified from the bidding process. They will score zero (0) points out of 20/10 for B-BBEE.

8.25. A trust, consortium or joint venture will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.

8.26. A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
8.27. Public entities and tertiary institutions must also submit B-BBEE Status Level Verification Certificates together with their bids.

8.28. A bidder will not be awarded the points claimed for B-BBEE status level of contribution if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the contract value to any other enterprise that does not qualify for at least the same number of points that the bidder qualifies for, unless the intended sub-contractor is an EME (Exempted Micro Enterprise) that has the capacity and the ability to execute the sub-contract.

8.29. A contractor is not allowed to sub-contract more than 25% of the contract value to another enterprise that does not have equal of higher B-BBEE status level, unless the intended sub-contractor is an EME (Exempted Micro Enterprise) that has the capability and ability to execute the sub-contract.

8.30. Validity period will be ninety (90) days.

8.31. Regulation 9 of the Preferential Procurement Regulations, 2011 pertaining to the Preferential Procurement Policy Framework Act, Act no 5 of 2000 and Treasury Instruction Note issued in terms of Regulation 9(2) of the Preferential Procurement Regulations, 2011 provides for the designation of sectors in line with national development and industrial policies for local production.

8.32. To give effect to the above requirement the Textiles, Clothing, Leather and Footwear sector has been designated for local production and content with a minimum threshold of 100%. The minimum threshold of each EMI uniform item is set out in Appendix A.

8.33. Only locally produced or locally manufactured Textiles, Clothing, Leather and Footwear from local raw material or input will therefore be considered. If the raw material or input to be used for a specific item is not available locally, bidders should obtain written authorization from the Department of Trade & Industry (the DTI) should there be a need to import such raw material or input.

8.34. A copy of the authorization letter must be submitted together with the bid document at the closing date and time of the bid. For further information, bidders may contact the Textiles, Clothing, Leather and Footwear Unit within the DTI at (012) 394-3717/ 1390.
8.35. Only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 must be used to calculate local content. The technical specification and the Guidance on the calculation of local content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)] are accessible to all bidders on the DTI's website: http://www.dti.gov.za/industrial development/ip.jsp at no cost.

9. MANDATORY REQUIREMENTS

Must be completed by bidder by answering yes or no and attach proof.

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Comply: Yes or No</th>
</tr>
</thead>
<tbody>
<tr>
<td>The service provider must have the ability to manufacture and supply the EMI uniform items according to the specifications set out in the EMI Uniform Specifications Manual and all applicable SABS standards. \textbf{(Note: In this respect of the submission of proof of the ability to fulfil this requirement, the service provider will be required to provide samples of EMI uniform items as specified in clause 12 (Evaluation Criteria) below; as part of their proposal)}</td>
<td></td>
</tr>
</tbody>
</table>

10. PAYMENT TERMS

DEA undertakes to pay in full within thirty (30) days of receipt of an invoice from the service provider. No payment will be made where there is outstanding information/work not submitted by the Service Provider until that outstanding information is submitted or in circumstances where the work done does not meet the required specifications.

11. TECHNICAL ENQUIRIES

Should you require any further information in this regard, please do not hesitate to contact:

Name: M Jardine
12. EVALUATION CRITERIA
This bid will be evaluated in two stages:

12.1 First Stage: Evaluation in terms of stipulated minimum threshold (100%) for local production and content.

12.1.1 The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the following formula:

\[ LC = (1 - \frac{X}{Y}) \times 100 \]

Where:

X is the imported content in Rand

Y is the bid price in Rand excluding value added tax (VAT)

12.1.2 Prices referred to in the determination of X must be converted to Rand (ZAR) by using the exchange rate published by the South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid.

12.1.3 The Declaration Certificate for Local Production and Content (SBD 6.2) together with the Annexure C (Local Content Declaration: Summary Schedule) must be completed, signed and submitted with the bidding documents at the closing date and time of the bid. The rates of exchange used by the bidder in paragraph 4.1 of the Declaration Certificate will be verified for accuracy against the requirements of paragraph 19.6 above.

12.1.4 A bid may be disqualified if the above-mentioned Declaration Certificate and the Annexure C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation, and the bidder fails to declare that the Local Content
Declaration Templates (Annexure C, D and E) have been audited and certified as correct.

12.1.5 A contract awarded in relation to a designated sector, may not be sub-contracted in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.

12.2 Second Stage: Evaluation in terms of 90/10 Preference Points and BBBEE.

A) POINTS FOR PRICE

i) Only bids that achieved the minimum stipulated threshold for local production and content maybe evaluated further. All bid proposals submitted will be evaluated in accordance with the 90/10 principle and the evaluation criteria should be as follows:

Values: 0 = Non-compliance, 1 = Poor; 2 = Fair; 3 = Average; 4 = Good; 5 = Excellent

Stage 1 evaluation criteria: The bidder must score a minimum of 75% during Stage 1 (functionality / technical) of the evaluation to qualify for Stage 2 of the evaluation where only points for price and B-BBEE will be considered.

<table>
<thead>
<tr>
<th>STAGE 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
</tr>
<tr>
<td>-----</td>
</tr>
<tr>
<td>A</td>
</tr>
<tr>
<td>1.</td>
</tr>
<tr>
<td>2.</td>
</tr>
</tbody>
</table>
3. **Capability (knowledge, experience and skills of team members in relation to the project) - submit names and their CVs. Specifically:**
   - the sourcing of quality fabrics
   - manufacture and supply of clothing items
   - ability to manufacture and supply to specifications
   - ability to work under pressure and meet deadlines.

4. **Companies Track Record** – The bid provides clear information on previous, relevant projects that confirm that the bidder has the required experience. Attach evidence of track record including reference letters and / or previous manufacture and supply of clothing items

5. **Samples of specific EMI Uniform Items** – as part of the bid, the service provider has provided samples of the following items in accordance with the specification as set out in the EMI Uniform Specifications Manual and any applicable SABS standards:
   - EMI Blazer/formal jacket (branded, male or female)
   - EMI cargo pants (non-branded, male or female)
- EMI black formal long sleeved shirt branded, male or female;
- EMI Lightweight, waterproof zip-up jacket with pocket and hood

<table>
<thead>
<tr>
<th>STAGE 2</th>
<th>B-BBEE Status Level Contributor</th>
<th>Number of points (90/10)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Non –compliant contributor</td>
<td>0</td>
</tr>
</tbody>
</table>

NB: A bid will not be disqualified from the bidding process if the bidder does not submit a certificate substantiating the B-BBEE status level of contribution or is a non-compliant contributor. Such a bidder will score 0 out of a maximum of 20 points for B-BBEE.

IN EVALUATING THE TECHNICAL INFORMATION CONTAINED IN THE BID, THE EVALUATION COMMITTEE WILL BE GUIDED BY THE FOLLOWING:
• **Bidder's understanding of the brief** – The bid provides a clear indication that the bidder fully understands the purpose and scope of the work and the bidders’ own roles and functions in this regard.

• **Capability and experience** – The bid provides a clear indication that the bidder’s team comprises people with the necessary experience, skills, qualifications, knowledge and skills required to ensure the efficient and effective generation of the required deliverables to the highest standards of quality.

• **Track Record** – The bid provides clear information on previous, relevant projects that confirm that the bidder has the required experience and success track record in the area of manufacture and supply of clothing items

• **Samples** – The bid includes the following samples as evidence of the ability of the service provider to meet the specifications as set out in the EMI Uniform Specifications Manual and any applicable SABS standards:
  - EMI Blazer/formal jacket (branded, male or female)
  - EMI cargo pants (non-branded, male or female)
  - EMI black formal long sleeved shirt (branded, male or female);
  - EMI Lightweight, waterproof zip-up jacket with pocket and hood (branded).
## Men’s EMI Uniform Range

<table>
<thead>
<tr>
<th>Item Number</th>
<th>Description</th>
<th>Minimum Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Men’s blazer</td>
<td>100%</td>
</tr>
<tr>
<td>2</td>
<td>Men’s formal pants</td>
<td>100%</td>
</tr>
<tr>
<td>3</td>
<td>Men’s formal long-sleeve shirt</td>
<td>100%</td>
</tr>
<tr>
<td>4</td>
<td>Men’s formal long-sleeve shirt</td>
<td>100%</td>
</tr>
<tr>
<td>5</td>
<td>Men’s formal short-sleeve shirt</td>
<td>100%</td>
</tr>
<tr>
<td>6</td>
<td>Men’s formal short-sleeve shirt</td>
<td>100%</td>
</tr>
<tr>
<td>7</td>
<td>Men’s Tie</td>
<td>100%</td>
</tr>
<tr>
<td>8</td>
<td>Men’s short-sleeve golfer</td>
<td>100%</td>
</tr>
<tr>
<td>9</td>
<td>Men’s short-sleeve golfer</td>
<td>100%</td>
</tr>
<tr>
<td>10</td>
<td>Men’s long-sleeve golfer</td>
<td>100%</td>
</tr>
<tr>
<td>11</td>
<td>Men’s long-sleeve golfer</td>
<td>100%</td>
</tr>
<tr>
<td>12</td>
<td>Mens’s Fleece with Zip</td>
<td>100%</td>
</tr>
<tr>
<td>13</td>
<td>Unisex Dri-Mac</td>
<td>100%</td>
</tr>
<tr>
<td>14</td>
<td>Men’s sleeveless bodywarmer</td>
<td>100%</td>
</tr>
<tr>
<td>15</td>
<td>Men’s field shirt with epaulettes</td>
<td>100%</td>
</tr>
<tr>
<td>16</td>
<td>Men’s zip-off tech pants</td>
<td>100%</td>
</tr>
<tr>
<td>17</td>
<td>Men’s cargo trousers</td>
<td>100%</td>
</tr>
<tr>
<td>18</td>
<td>Men’s cargo shorts</td>
<td>100%</td>
</tr>
<tr>
<td>19</td>
<td>Unisex sleeveless hunter jacket (no hood)</td>
<td>100%</td>
</tr>
<tr>
<td>20</td>
<td>Unisex sleeveless hunter jacket (hood)</td>
<td>100%</td>
</tr>
<tr>
<td>21</td>
<td>Unisex bush jacket</td>
<td>100%</td>
</tr>
<tr>
<td>22</td>
<td>EMI Cap</td>
<td>100%</td>
</tr>
<tr>
<td>23</td>
<td>EMI Beanie</td>
<td>100%</td>
</tr>
<tr>
<td>24</td>
<td>EMI Wide Brim Hat</td>
<td>100%</td>
</tr>
<tr>
<td>25</td>
<td>One-Piece Conti Suit</td>
<td>100%</td>
</tr>
<tr>
<td>26</td>
<td>Two-Piece Conti Suit</td>
<td>100%</td>
</tr>
<tr>
<td>27</td>
<td>One-Piece MX40</td>
<td>100%</td>
</tr>
<tr>
<td>28</td>
<td>Two-Piece MX40</td>
<td>100%</td>
</tr>
<tr>
<td>29</td>
<td>Reflective Vest</td>
<td>100%</td>
</tr>
</tbody>
</table>
### 4.2 Women’s EMI Uniform Range

<table>
<thead>
<tr>
<th>Item Number</th>
<th>Description</th>
<th>Minimum Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Office Uniform</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Women’s blazer</td>
<td>100%</td>
</tr>
<tr>
<td>2</td>
<td>Women’s formal pants (straight leg)</td>
<td>100%</td>
</tr>
<tr>
<td>3</td>
<td>Women’s formal pants</td>
<td>100%</td>
</tr>
<tr>
<td>4</td>
<td>Women’s formal long-sleeve shirt</td>
<td>100%</td>
</tr>
<tr>
<td>5</td>
<td>Women’s formal long-sleeve shirt</td>
<td>100%</td>
</tr>
<tr>
<td>6</td>
<td>Women’s formal short-sleeve shirt</td>
<td>100%</td>
</tr>
<tr>
<td>7</td>
<td>Women’s formal short-sleeve shirt</td>
<td>100%</td>
</tr>
<tr>
<td>8</td>
<td>Women’s formal three-quarters shirt</td>
<td>100%</td>
</tr>
<tr>
<td>9</td>
<td>Women’s formal three-quarters shirt</td>
<td>100%</td>
</tr>
<tr>
<td>10</td>
<td>Women’s Tie</td>
<td>100%</td>
</tr>
<tr>
<td>11</td>
<td>Women’s short-sleeve golfer</td>
<td>100%</td>
</tr>
<tr>
<td>12</td>
<td>Women’s short-sleeve golfer</td>
<td>100%</td>
</tr>
<tr>
<td>13</td>
<td>Women’s long-sleeve golfer</td>
<td>100%</td>
</tr>
<tr>
<td>14</td>
<td>Women’s long-sleeve golfer</td>
<td>100%</td>
</tr>
<tr>
<td>15</td>
<td>Women’s Fleece with Zip</td>
<td>100%</td>
</tr>
<tr>
<td>16</td>
<td>Unisex Dri-Mac</td>
<td>100%</td>
</tr>
<tr>
<td>17</td>
<td>Women’s sleeveless bodywarmer</td>
<td>100%</td>
</tr>
<tr>
<td>20</td>
<td>Women’s field shirt with epaulettes</td>
<td>100%</td>
</tr>
<tr>
<td>21</td>
<td>Women’s field shirt (no epaulettes)</td>
<td>100%</td>
</tr>
<tr>
<td>22</td>
<td>Women’s zip-off tech pants</td>
<td>100%</td>
</tr>
<tr>
<td>23</td>
<td>Women’s cargo trousers</td>
<td>100%</td>
</tr>
<tr>
<td>24</td>
<td>Women’s cargo shorts</td>
<td>100%</td>
</tr>
<tr>
<td>25</td>
<td>Unisex sleeveless hunter jacket (no hood)</td>
<td>100%</td>
</tr>
<tr>
<td>26</td>
<td>Unisex sleeveless hunter jacket (hood)</td>
<td>100%</td>
</tr>
<tr>
<td>27</td>
<td>Unisex bush jacket</td>
<td>100%</td>
</tr>
<tr>
<td>28</td>
<td>EMI Cap</td>
<td>100%</td>
</tr>
<tr>
<td>29</td>
<td>EMI Beanie</td>
<td>100%</td>
</tr>
<tr>
<td>30</td>
<td>One-Piece Conti Suit</td>
<td>100%</td>
</tr>
<tr>
<td>31</td>
<td>Two-Piece Conti Suit</td>
<td>100%</td>
</tr>
<tr>
<td>32</td>
<td>One-Piece MX40</td>
<td>100%</td>
</tr>
<tr>
<td>33</td>
<td>Two-Piece MX40</td>
<td>100%</td>
</tr>
<tr>
<td>34</td>
<td>Reflective Vest</td>
<td>100%</td>
</tr>
</tbody>
</table>
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.
<table>
<thead>
<tr>
<th>Clause</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Definitions</td>
</tr>
<tr>
<td>2.</td>
<td>Application</td>
</tr>
<tr>
<td>3.</td>
<td>General</td>
</tr>
<tr>
<td>4.</td>
<td>Standards</td>
</tr>
<tr>
<td>5.</td>
<td>Use of contract documents and information; inspection</td>
</tr>
<tr>
<td>6.</td>
<td>Patent rights</td>
</tr>
<tr>
<td>7.</td>
<td>Performance security</td>
</tr>
<tr>
<td>8.</td>
<td>Inspections, tests and analysis</td>
</tr>
<tr>
<td>9.</td>
<td>Packing</td>
</tr>
<tr>
<td>10.</td>
<td>Delivery and documents</td>
</tr>
<tr>
<td>11.</td>
<td>Insurance</td>
</tr>
<tr>
<td>12.</td>
<td>Transportation</td>
</tr>
<tr>
<td>13.</td>
<td>Incidental services</td>
</tr>
<tr>
<td>14.</td>
<td>Spare parts</td>
</tr>
<tr>
<td>15.</td>
<td>Warranty</td>
</tr>
<tr>
<td>16.</td>
<td>Payment</td>
</tr>
<tr>
<td>17.</td>
<td>Prices</td>
</tr>
<tr>
<td>18.</td>
<td>Contract amendments</td>
</tr>
<tr>
<td>19.</td>
<td>Assignment</td>
</tr>
<tr>
<td>20.</td>
<td>Subcontracts</td>
</tr>
<tr>
<td>21.</td>
<td>Delays in the supplier’s performance</td>
</tr>
<tr>
<td>22.</td>
<td>Penalties</td>
</tr>
<tr>
<td>23.</td>
<td>Termination for default</td>
</tr>
<tr>
<td>24.</td>
<td>Dumping and countervailing duties</td>
</tr>
<tr>
<td>25.</td>
<td>Force Majeure</td>
</tr>
<tr>
<td>26.</td>
<td>Termination for insolvency</td>
</tr>
<tr>
<td>27.</td>
<td>Settlement of disputes</td>
</tr>
<tr>
<td>28.</td>
<td>Limitation of liability</td>
</tr>
<tr>
<td>29.</td>
<td>Governing language</td>
</tr>
<tr>
<td>30.</td>
<td>Applicable law</td>
</tr>
<tr>
<td>31.</td>
<td>Notices</td>
</tr>
<tr>
<td>32.</td>
<td>Taxes and duties</td>
</tr>
<tr>
<td>33.</td>
<td>National Industrial Participation Programme (NIPP)</td>
</tr>
<tr>
<td>34.</td>
<td>Prohibition of restrictive practices</td>
</tr>
</tbody>
</table>
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
1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier’s fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

1.13 “Fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

1.14 “GCC” means the General Conditions of Contract.

1.15 “Goods” means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

1.16 “Imported content” means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.

1.17 “Local content” means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.

1.18 “Manufacture” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

1.19 “Order” means an official written order issued for the supply of goods or works or the rendering of a service.

1.20 “Project site,” where applicable, means the place indicated in bidding documents.

1.21 “Purchaser” means the organization purchasing the goods.

1.22 “Republic” means the Republic of South Africa.

1.23 “SCC” means the Special Conditions of Contract.

1.24 “Services” means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such
obligations of the supplier covered under the contract.

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

2. Application

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

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

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

3. General

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

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

4. Standards

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

5. Use of contract documents and information; inspection.

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

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

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

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

6. Patent rights

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

7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier’s failure to complete his obligations under the contract.

7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

(a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser’s country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or

(b) a cashier’s or certified cheque

7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier’s performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspections, tests and analyses

8.1 All pre-bidding testing will be for the account of the bidder.

8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.

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

8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

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

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

9. Packing

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

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

10. Delivery and documents

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

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

(a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
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
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 contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

21. Delays in the supplier’s performance

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

21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier’s notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier’s time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

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

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

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

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without 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 (NIP) Programme

33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

34. Prohibition of Restrictive practices

34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).

34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.
34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.
The Director General

I/we hereby request and authorise 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 authorised will be processed by computer through a system known as "ACB - Electronic Fund Transfer Service"; and I/we understand that no 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 validate as per required bank screens.

I/we understand that bank details provided should be exactly as per record held by the banks.

I/we understand that the Department will not be held liable for any delayed payments as a result of incorrect information supplied.

---

<table>
<thead>
<tr>
<th>Company / Personal Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Name</td>
</tr>
<tr>
<td>Trading Name</td>
</tr>
<tr>
<td>Tax Number</td>
</tr>
<tr>
<td>VAT Number</td>
</tr>
<tr>
<td>Title:</td>
</tr>
<tr>
<td>Initials:</td>
</tr>
<tr>
<td>Full Names</td>
</tr>
<tr>
<td>Surname</td>
</tr>
<tr>
<td>Persal Number</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
</tr>
<tr>
<td>(Compulsory if Supplier)</td>
</tr>
<tr>
<td>Physical</td>
</tr>
<tr>
<td>Postal</td>
</tr>
<tr>
<td>Postal Code</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ New Supplier information  □ Update Supplier information</td>
</tr>
</tbody>
</table>

Supplier Type:  □ Individual  □ Department  □ Partnership
               □ Company  □ Trust  □ Other (Specify)
               □ CC

Department Number
### Supplier Account Details (To be Verified by the bank, please attach bank letter or 3 months bank statement)

(Please note that this account MUST be in the name of the supplier. No 3rd party payments allowed).

<table>
<thead>
<tr>
<th>Account Name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Number</td>
<td></td>
</tr>
<tr>
<td>Branch Name</td>
<td></td>
</tr>
<tr>
<td>Branch Number</td>
<td></td>
</tr>
</tbody>
</table>

#### Bank screen info

- **ABSA-CIF screen**
- **FNB-Hogans system on the CIS4/CUPR**
- **STD Bank-Look-up-screen**
- **Nedbank- Banking Platform under the Client Details Tab**

<table>
<thead>
<tr>
<th>Account Type</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheque Account</td>
<td></td>
</tr>
<tr>
<td>Savings Account</td>
<td></td>
</tr>
<tr>
<td>Transmission Account</td>
<td></td>
</tr>
<tr>
<td>Bond Account</td>
<td></td>
</tr>
<tr>
<td>Other (Please Specify)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ID Number</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Passport Number</td>
<td></td>
</tr>
<tr>
<td>Company Registration Number</td>
<td>/  /  /</td>
</tr>
<tr>
<td>*CC Registration</td>
<td></td>
</tr>
</tbody>
</table>

*Please include CC/CK where applicable

#### Supplier Contact Details

<table>
<thead>
<tr>
<th>Business</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Area Code</td>
<td></td>
</tr>
<tr>
<td>Telephone Number</td>
<td></td>
</tr>
<tr>
<td>Extension</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Home</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Area Code</td>
<td></td>
</tr>
<tr>
<td>Telephone Number</td>
<td></td>
</tr>
<tr>
<td>Extension</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fax</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Area Code</td>
<td></td>
</tr>
<tr>
<td>Fax Number</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cell</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Area Code</td>
<td></td>
</tr>
<tr>
<td>Fax Number</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cell Code</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cell Number</td>
<td></td>
</tr>
</tbody>
</table>

Email Address

Contact Person:

---

Supplier Signature

Print Name

[Date (dd/mm/yyyy)]

**NB: All relevant fields must be completed**