

BID NO:

WCGRB CB0012022

BID DESCRIPTION:

Internal Audit Services

ADVERTISED DATE:

17 June 2022

CLOSING DATE:

08 July 2022

VALIDITY PERIOD:

60 days

(Calculated from Closing Date)

PART A INVITATION TO BID

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

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

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

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

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

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

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)							
BID NUMBER:	WCGRB CB0012022	CLOSING DATE:	08 July 2022	CLOSING TIME:	11:00am		
DESCRIPTION							
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)							
Western Cape Gambling and Racing Board							
100 Fairway Close							
Parow							
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO				TECHNICAL ENQUIRIES MAY BE DIRECTED TO:			
CONTACT PERSON	Juliet Rudolph			CONTACT PERSON	Zoe Siwa		
TELEPHONE NUMBER	021 480 7400			TELEPHONE NUMBER	021 480 7400		
FACSIMILE NUMBER	N/A			FACSIMILE NUMBER	N/A		
E-MAIL ADDRESS	juliet@wcgrb.co.za			E-MAIL ADDRESS	zoe@wcgrb.co.za		
SUPPLIER INFORMATION							
NAME OF BIDDER							
POSTAL ADDRESS							
STREET ADDRESS							
TELEPHONE NUMBER	CODE				NUMBER		
CELLPHONE NUMBER							
FACSIMILE NUMBER	CODE				NUMBER		
E-MAIL ADDRESS							
VAT REGISTRATION NUMBER							
SUPPLIER COMPLIANCE STATUS	WCSEB No.		TCS PIN:		AND	CSD No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No			B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No	
IF YES, WAS THE CERTIFICATE ISSUED BY A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN NATIONAL ACREDITATION SYSTEM (SANAS)	[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No						
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT (FOR EMEs& QSEs) MUST BE SUBMITTED TOGETHER WITH A COMPLETED 6.1 IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]							

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS/ SERVICES/ WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
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QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO
DOES THE ENTITY HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	<input type="checkbox"/> YES <input type="checkbox"/> NO
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.	

**PART B
TERMS AND CONDITIONS FOR BIDDING**

1. BID SUBMISSION:

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED – (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**
- 1.3. BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.
- 1.4. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
- 1.5. **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (WCBD7).**

2. TAX COMPLIANCE REQUIREMENTS

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
- 2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE WITH TOGETHER WITH THE BID.
- 2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE AND CSD NUMBER AS MENTIONED IN 2.3 ABOVE.
- 2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
- 2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

(Proof of authority must be submitted e.g. company resolution)

DATE:

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TERMS OF REFERENCE: APPOINTMENT OF A SUITABLE AND INDEPENDENT INTERNAL AUDIT SERVICE PROVIDER.

1. INTRODUCTION

- a. The Western Cape Gambling and Racing Board (WCGRB) invites suitable and registered Audit Firms to submit proposals to execute the WCGRB Internal Audit Function.
- b. The WCGRB is a statutory body constituted in terms of the Western Cape Gambling and Racing Act. The WCGRB is a Schedule 3C PFMA Public Entity. The right to carry on any gambling or racing or activities incidental thereto in any manner, whether directly or indirectly, within the Province of the Western Cape, vest exclusively in the Board. The Board is a juristic person and conduct all its business in its own name. The main objective of the Board is to control all gambling, racing and activities incidental therefore in the Province of the Western Cape.

2. BACKGROUND

- a. The objective of this bid is to appoint a suitable independent Internal Audit Service Provider that can maintain and support an appropriate Internal Audit Service to the WCGRB.
- b. In terms of section 51(1)(a)(ii) of the Public Finance Management Act (PFMA), an accounting authority for a public entity must ensure that that public entity has and maintains a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of section 76 and 77 of the PFMA.
- c. The Internal Audit function should assist the Board to accomplish its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management control and governance processes. The risk management strategy including the fraud prevention plan must be used to direct the internal audit effort.

3. SCOPE OF WORK

- a. The key objective of this project is to provide internal audit services to the WCGRB for a three-year period.
- b. The internal audit function must add value and be seen as a governance and assurance tool that enhances the system of internal controls at a reasonable cost, as well as ensuring compliance to the provisions of the Public Finance Management Act, 1 of 1999, as amended, the applicable Treasury Regulations, Risk Management Standards and Frameworks and the Standards of Professional Practice in Internal Audit (SPPIA) as set by the Institute of Internal Auditors. This would also include application of the principles of the latest King Report on Corporate Governance as well as any other related legislation, policies and frameworks.
- c. The Board and Management of the entity require a pro-active Internal Audit function that is independent, understands the importance of corporate governance systems, risk management, performance auditing, auditing of pre-determined objectives, makes use of leading internal audit methodologies and techniques and that can function at an executive as well as operational level.
- d. The scope of the internal audit service shall consist of, but is not limited to, the following requirements. **The Internal Audit function must:**
 - i. Advise the Chief Executive Officer (CEO) and report to the Audit Committee on the implementation of the internal audit plan and matters relating to –

1. Internal audit;
 2. Internal controls;
 3. Accounting procedures and processes;
 4. Risk and risk management;
 5. Performance management and;
 6. Compliance with the PFMA, Treasury Regulations and any other legislation.
- ii. Review and update the Internal Audit and Audit Committee Charters on an annual basis.
 - iii. Perform any ad-hoc investigations as requested by Management and the Audit Committee and/or the Board and perform such other duties as may be assigned to it by the CEO and/or Audit Committee.
 - iv. Fulfil all requirements pertaining to internal audit as reflected in the Public Finance Management Act, Treasury Regulations and any other regulatory authorities.
 - v. Consider the use of technology-based audit and other data analysis techniques to be used as part of internal audit procedures.
 - vi. Establish a formally documented process to provide evidence in terms of the adherence and/or application of the Core Principles for the Professional Practice of Internal Auditing.
 - vii. Develop and maintain a Quality Assurance and Improvement Program (QAIP) that covers all aspects of the internal audit activity in accordance with Standard 1300.
 - viii. Formally communicate the results of external and internal assessments in accordance to Standard 1320 to senior management, the Audit Committee and the Board upon completion of such assessments. Communicate the results of ongoing monitoring to senior management, the Audit Committee and the Board at least annually.
 - ix. Develop an audit universe, which consists of all risk areas that could be subject to audit, resulting in a list of possible audit engagements that could be performed and submit such audit universe to senior management, Audit Committee and Board for approval.
 - x. Assess and make appropriate recommendations for improving the governance processes in accomplishing the following:
 1. Promoting appropriate ethics and values within the organization;
 2. Ensuring effective organizational management performance and accountability;
 3. Communicate risk and control information to senior management, the Audit Committee and the Board.
 - xi. Evaluate the effectiveness and contribute to the improvement of risk management processes by performing annual risk management reviews with a view to provide an annual opinion on Enterprise Risk Management of the Board.
 - xii. Develop a Risk and Control Matrix during planning stages for all engagements.
 - xiii. Assist in sharing of best practices, such as checklists and templates with WCGRB. Furthermore, the successful bidder should demonstrate strong capacity for thought leadership, the ability to provide the WCGRB with publications, notifications and summaries via the CFO's office, detailing the latest developments in at least but not limited to the following areas: Risk Management, Financial Management, Supply Chain

Management, Compliance and Corporate Management, Information Technology and Human Resources.

- xiv. Co-ordinate with other internal and external providers of assurance to ensure proper coverage and to minimise duplication of effort. To this end, the internal audit function will liaise with the Auditor-General and ensure alignment with the external audit function, where possible.
- e. The Internal Audit function must, in consultation with Management and the Audit Committee prepare:
- i. A rolling three-year strategic Internal Audit Plan based on its assessment of key areas of risk for the entity, having regard to its current operations and other developments in terms of the Board's operations going forward.
 - ii. An annual Internal Audit Plan.
 - iii. Plans indicating the scope, cost and timelines of each audit in the annual internal audit plan.
 - iv. Perform risk-based audit assignments as per the standards and guidelines set by the Standards for the Professional Practice of Internal Auditing (*Standards*).
 - v. Execute the annual audit plan as it pertains to the contract period and reports to the CEO and Audit Committee detailing its performance against the plan, to allow effective monitoring and intervention when necessary.
- f. The Internal Audit function must assist the WCGRB in maintaining and achieving effective controls and objectives by evaluating those controls and developing recommendations for enhancement or improvement of the processes through which:
- i. Objectives and values are established and communicated;
 - ii. The accomplishment of objectives is monitored;
 - iii. The adequacy and effectiveness of the system of internal control are reviewed and assessed;
 - iv. The relevance, reliability and integrity of financial and performance information are assessed;
 - v. The systems established by management to ensure compliance with those policies, laws, regulations and controls that could have a significant impact on operations and determine whether the entity is in compliance with the Public Finance Management Act and other relevant legislation that governs the WCGRB are reviewed.
- g. Review the annual financial statements of the Board on an annual basis in accordance with the Standards of Generally Recognised Accounting Practice (GRAP).
- h. Compile, on an annual basis, an opinion informed by all individual assurance engagements which should incorporate an opinion on Governance, Risk and Control.
- i. Ensure that the IIA's Code of Ethics be signed on an annual basis by all IAA staff members.

- j. Ensure that IAA staff maintains their objectivity by remaining independent of the activities they audit.
- k. Maintain strict confidentiality of all information acquired during the course of the contract.
- l. **Other audits that needs to be taken into account at the WCGRB are among others:**
 - i. IT risk and security and systems processes audits;
 - ii. Conducting special assignments and investigations on behalf of the Audit Committee, management or the Board into any matter or activity affecting the WCGRB;
 - iii. Audits designed to detect fraud; and
 - iv. Status of Records Review.
- m. **Location of services**
 - i. The Internal Audit Services will be rendered at the Board's premises situated at 100 Fairway Close, Parow, 7500 until October 2023. The Board is currently seeking alternative accommodation and as such, the location of services may change subsequent to October 2023.

4. SPECIFICATIONS OF SKILLS REQUIRED

- a. The WCGRB requires that the service provider shall make use of dedicated internal audit resources (corporate governance review, risk management, performance auditing, audit of pre-determined objectives etc.), and has a sound understanding of internal audit methodologies and techniques with practical experience on similar assignments, as well as a strong knowledge and understanding of government processes, systems and practices.
- b. It will be preferred that the person (Director / Partner) leading the Internal Audit project must have implemented an outsourced/co-sourced internal audit service from cradle to grave or that has been the head of an in-house internal audit function him/herself. The partner/director must perform the final quality review on all deliverables to ensure that assignment objectives are met.
- c. The appointed engagement partner will serve and take responsibilities in a role as the WCGRB Chief Audit Executive.

5. APPOINTMENT, COMMENCEMENT AND DURATION

- a. The service provider will be appointed for a maximum period of three (3) years.
- b. The contract may be terminated by the WCGRB during the contract period after 30 (thirty) days written notice, if the service provider is negligent or does not perform in accordance with the contractual stipulations and service level agreement to be entered into.

6. NOTES TO THE BIDDERS

- a. This section outlines the basic requirements that must be met.

- i. Short-listed bidders who made it through to functionality may be invited to present and discuss details of their proposals. Presentations will not be scored for functionality purposes.
- ii. The WCGRB will not be liable to reimburse any costs incurred by the bidder during this tender process.
- iii. The WCGRB is committed to maximise the value obtained from the available internal audit resources. However, the WCGRB does not bind itself to accepting the lowest priced tender.
- iv. Bidders should identify the work they are currently carrying out or competing which could cause a conflict of interest, and indicate how such a conflict would be avoided.
- v. The WCGRB shall be invoiced monthly, as and when the work is completed, provided the service level targets have been achieved during the period and approved by the WCGRB.
- vi. The successful bidder shall enter into a Service Level Agreement with the WCGRB.

7. PROPOSAL SUBMISSION

- a. To facilitate the evaluation process, all proposals must reflect the following information. Failure to supply all or any part of the requested information MAY RESULT in your proposal being excluded from the evaluation process. Tender submission should follow the two-envelope system.
- b. Three (3) copies of the proposal (Envelope A plus Envelope B) must be submitted in the following format:
- c. **Envelope A must only include the following information;**
 - i. **Section 1:** The following documents must accompany the bid documents:
 - 1. Company registration documentation
 - 2. Completed and duly signed Standard Bid Documents:
 - a. Duly completed **WCBD 1** (Invitation to Bid) clearly indicating the mandatory Central Supplier Database (CSD) registration number; the Western Cape Supplier Evidence Bank (WCSEB) registration number (if applicable); and the Tax Compliance Status (TCS) Pin.
 - b. Tax Compliance Status Report (if available)
 - c. Duly completed and **valid WCBD 4** (Declaration of interests, Bidders past SCM Practices and Independent bid determination);
 - d. Duly Completed and **valid WCBD 6.1** (Preference points claim form)
 - e. Duly completed and signed WCBD 7.1 (Contract form) (successful bidder)
 - f. General Conditions of Contract (for information purposes)
 - 3. Valid BBBEE Certificate OR Sworn Affidavit (Failure to submit the document will not result in disqualification but no points will be allocated)
 - 4. Any other relevant statutory certification as specified in the Terms of Reference.
 - ii. **Section 2:** Covering letter of the service provider.

- iii. **Section 3:** The information provided in Section 3 will be utilised to evaluate the bidder's functionality in respect of **Section 1: Public Sector Experience (30 points)**. The following information must be included.
1. **Company Profile:** The bidder must demonstrate a proven track record of experience obtained in organs of state governed by the PFMA or MFMA in the provision of internal audit services. The bidder must submit a comprehensive portfolio of the firm's experience to meet the scoring criteria.
 2. **Appointment Letters:** Letters of appointment must be aligned to prior work performed of a similar nature, which has been successfully concluded in the last six years. These appointment letters must be signed and dated by the organisation for which the work was done, it must clearly specify the date that the scope of work was conducted; and it must be on an official letterhead of the organisation for which the work was done.
- iv. **Section 4:** The information provided in this section will be utilised to evaluate the bidder's functionality in respect of **Section 2: Methodology (25 points)**.
1. Bidders are required to submit an approach paper to respond to the scope of work and which outlines the proposed approach/methodology. The approach paper should include a proposed project plan as well as a three-year rolling audit plan. The approach paper must also include information as to how the internal audit firm ensures quality control of the firm as a whole.
- v. **Section 5:** The information provided in this section will be utilised to evaluate the bidder's functionality in respect of **Section 3: Contactable References (10 points)**.
1. Bidders shall set out in the attached Contactable Reference Sheet (Please see Annexure A provided) the details of a minimum of three contactable references that are willing to answer the stated questions and score bidders accordingly in terms of the bidder's performance.
 2. Please email or fax a copy of the attached Contactable Reference Sheet (Annexure A) to three references to complete and attach these schedules as part of the bid documents to be submitted in Section 5. Copies are allowed.
- vi. **Section 6:** The information provided in this section will be utilised to evaluate the bidder's functionality in respect of **Section 4: Experience of key personnel who form part of the audit team (20 points)**.
1. A detailed Curriculum Vitae (CV) to demonstrate the experience of the engagement partner/director, senior manager/manager should be attached to the bidder's proposal as part of Section 6.
 2. Proof of registration with the Institute of Internal Audit of South Africa and/or the Independent Regulatory Board for Auditors must be submitted as part of Section 6.
 3. The experience of key personnel can also be documented as part of Section 7 (Annexure B).

vii. **Section 7:** The information provided in this section will be utilised to evaluate the bidder's functionality in respect of **Section 5: Qualifications of the audit team (15 points)**.

1. Only originally certified copies of qualifications which are not older than 3 months prior to the date of submission must be submitted.
2. Failure to submit certified copies of qualifications will result in no points being allocated.
3. Please utilize Annexure B to provide the relevant information.

d. **Envelope B must only include the following information;**

i. Section 1: Detailed budget breakdown (inclusive of VAT) aligned to WCBD 3.3

1. The plan should include costing of all activities therein at an average hourly tariff.
2. Bidders must provide the average hourly tariff inclusive of VAT, but exclusive of disbursements for the services to be rendered.

8. EVALUATION CRITERIA

- a. The evaluation criteria will be in line with the Preferential Procurement Policy Framework Act and the 2017 Preferential Procurement Regulations.
- b. Evaluation of bids will be based on the 80 / 20 preferential point system wherein 80 represents price for the lowest bid and 20 the BBBEE status level of contribution.
- c. A three-stage evaluation process will be followed, that is:
 - i. ADMINISTRATIVE COMPLIANCE (Stage 1)
 - ii. FUNCTIONALITY (Stage 2) and;
 - iii. PRICE AND BBBEE (Stage 3).

NB: Bidders who do not meet the minimum requirements in each stage will not proceed to the next stages.

- d. The bid which achieves the highest total points out of 100 after evaluation on Price and BBBEE will be recommended for appointment as the preferred successful bidder.

STAGE 1: ADMINISTRATIVE COMPLIANCE

- (a) Bidders will be evaluated on information submitted as per 7(c)(i).

STAGE 2: FUNCTIONALITY

- (a) The following is the weighting awarded for each element, and the threshold score where applicable.

Evaluation element	Weighting	Threshold score to proceed to Stage 3.
Technical proposal (Functionality)	100	80 Points

TECHNICAL EVALUATION CRITERIA

Important notes to the bidder:

- The tender will be evaluated in five (5) sections.
- Each of the five sections has an individual score.
- The five sections give a total of 100.
- The five sections are as follows:
 - Section 1: Public sector experience of the service provider with a total score of 30
 - Section 2: Methodology with a total score of 25
 - Section 3: Contactable references with a total score of 10
 - Section 4: Experience of key personnel who form part of the audit team with a total score of 20
 - Section 5: Qualifications of the audit team with a total score of 15

SECTION 1: PUBLIC SECTOR EXPERIENCE

Important notes to the bidder:

1. Letters of appointment must be aligned to prior work performed of a similar nature, which have been successfully concluded in the last six years.
2. These appointment letters must be signed and dated by the organisation for which the work was done; it must clearly specify the date that the scope of work was conducted; and it must be on an official letterhead of the organisation for which the work was done.
3. The maximum points a bidder can score in this section is 30 points and the lowest score a bidder can score in this section is zero points.

The bidder must have a proven track record (comprehensive portfolio) of experience obtained in organs in state governed by the **PFMA or MFMA** in the provision of **internal audit services**. This experience must include **audit of performance information, compliance with legislation, enterprise wide IT governance, Enterprise Risk Management and Supply Chain Management**. Experience in auditing the regulatory environment, will be advantageous.

The bidder must submit a comprehensive portfolio of the firm's experience (current plus completed/ expired contracts) to meet the scoring criteria.

(1) Experience of service provider in public sector (1 point for each year's experience, maximum 8 points) – Company profile should demonstrate number of years.

(2) Demonstrated experience in internal audit services which include (maximum 14 points)

- Provision of internal audit services (2 points)
- Audit of performance information (3 points)
- Compliance with legislation (2 points)
- Enterprise wide IT governance (2 points)
- Enterprise Risk Management (3 points)
- Supply Chain Management (2 points)

The above experience must be demonstrated in the letters of appointment as indicated

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below. The bidder will obtain 14 points if all areas of experience is demonstrated and 2 points if the reference letter only refers to “internal audit services”, for example.

(3) Number of appointment letters to demonstrate experience (maximum 8 points)

- 1 – 4: 4 points
- 5 – 8: 8 points

SECTION 2: METHODOLOGY

The approach paper must respond to the scope of work and outline the proposed approach / methodology. The approach paper should articulate what value adds the tenderer will provide in achieving the stated objectives for the project.

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The bidder must as such explain his / her understanding of the objectives of the assignment and the Board’s requirements, highlight the issues of importance, and explain the technical approach they would adopt to address them.

The approach paper should explain the methodologies which are to be adopted and demonstrate the compatibility of those methodologies with the proposed approach.

The approach paper should include a **proposed project plan as well as a three-year rolling audit plan** to achieve objectives of the Internal Audit Function and outlines processes, procedures and associated resources to meet the requirements and indicate how risks will be managed and what contribution can be made regarding value management. This must also include information as to how the internal audit firm ensures quality control of the firm as a whole.

The approach paper should address the following specific areas:

1. Proposed approach in general and specifically in relation to the mandate of the Western Cape Gambling and Racing Board.
2. Proposed approach to identify major risks, including the performance of annual risk management reviews together with the development of an audit universe.
3. Proposed approach to enterprise IT governance.
4. Proposed approach to the auditing of performance information, compliance with legislation and the auditing of supply chain management.
5. Development and maintenance of a Quality Assurance and Improvement Program that covers all aspects of the internal audit activity in accordance with Standard 1300.

Bidders are referred to table below which indicates the maximum possible score for information requested under this schedule.

The scoring of the work plan and methodology will be as follows:

Non-compliant (score 0%)	No approach paper is attached.
Poor (score 30%)	The approach paper is poor / is unlikely to satisfy project objectives or requirements. The tenderer has misunderstood certain aspects of the scope of work and does not deal with the critical aspects of the project.
Satisfactory (score 50%)	The approach paper is generic and not tailored to address the specific project objectives. The approach, manner in which risk is to be managed etc. is too generic. i.e. Not specific to the Board’s operations.

<p>Good (score 85%)</p>	<p>The approach plan is specifically tailored to address the specific project objectives and methodology and is sufficiently flexible to accommodate changes that may occur during execution. The approach is specifically tailored to the critical characteristics of the project.</p>	
<p>Very good (score 100%)</p>	<p>Besides meeting the “good” rating, the important issues are approached in an innovative and efficient way, indicating that the tenderer has outstanding knowledge of state-of-the-art approaches. The approach paper details ways to improve the project outcomes and the quality of the outputs.</p>	
<p>SECTION 3: CONTACTABLE REFERENCES</p>		
<p>Bidders shall set out in the attached Contactable Reference Sheet (See Annexure A) the details of a minimum of three contactable references that are willing to answer the stated questions and score bidders accordingly in terms of the bidder’s performance. WCGRB will liaise with the stated references to verify the authenticity of the submitted scoring.</p> <p>The reference letters must pertain to the <u>provision of internal audit services</u>.</p> <p>The bidders must rate the following questions:</p> <ol style="list-style-type: none"> 1. Did the bidder adhere to the budget and indicated timelines as stipulated within the engagement letter? 2. Did the audit team add any value by developing recommendations for enhancement or improvement of processes? 3. Was the audit team as proposed by the bidder adequate for the various assignments in the rendering of internal audit services? 4. How was the level of service as rendered by the bidder for the duration of the contract? <p><u>The scoring of the tenderer’s experience will be as follows:</u> Please e-mail or fax a copy of the attached Contactable Reference Sheet to three references to complete and attach these schedules as part of the bid documents. Copies are allowed.</p> <p>The scoring of the contactable references will be done by combining the total scores of the 3 references, identifying the average by dividing it by 3 and determining the final score of the average by dividing it by 10.</p> <p>For example: Total score (reference 1) = 70 Total score (reference 2) = 100 Total score (reference 3) = 90 Total score = 260/3 Average = 86.66</p> <p>Points available under this section: $86.66/10 = 8.66$ out of 10 maximum points available.</p>		<p>10</p>
<p>SECTION 4: EXPERIENCE OF KEY PERSONNEL WHO FORM PART OF THE AUDIT TEAM</p>		
<p>Important notes to bidders:</p> <ul style="list-style-type: none"> • A detailed CV to demonstrate the experience of the engagement partner/director, senior manager/manager should be attached to the bidder’s proposal. • For information not submitted, zero points will be awarded. • Overall score for this criteria is 20. <p>Information regarding the experience of the engagement partner/director and senior manager/manager can be documented in Annexure B.</p>		<p>20</p>

The service provider (firm) must submit proof that it is registered with the Institute of Internal Auditors and/or the Independent Regulatory Board for Auditors.	4 points	
The engagement partner/director should at least be registered with the Institute of Internal Auditors of South Africa.	4 points	
Partner/Director: Less than 6 years' prior experience in this role: 3 points More than 6 years' prior experience in this role: 5 points	5 points	
The senior/manager should at least be registered with the Institute of Internal Auditors of South Africa.	3 points	
Manager: Less than 6 years' prior experience in this role: 2 points More than 6 years' prior experience in this role: 4 points	4 points	
SECTION 5: QUALIFICATIONS OF THE AUDIT TEAM		
<p>Important notes to bidders:</p> <ul style="list-style-type: none"> • Only originally certified copies of qualifications which are not older than 3 months prior to the date of submission must be submitted. • Failure to submit certified copies of qualifications will result in no points being allocated. • For each candidate on the project team points will be allocated as per the criterion (highest qualification). <p>Please utilize Annexure B to provide the relevant information.</p> <p>Overall score for this criteria is limited to 15.</p> <p>(All staff levels from Partner/ Director to field/junior staff allocated to Team);</p> <p>Highest Qualification</p> <ul style="list-style-type: none"> • IAT/GIA or Completed articles – 1 point for each candidate limited to 15 points • CCSA / CFSA / CGAP / CRMA – 1.5 points for each candidate limited to 15 points • with CIA or CA – 2 points for each candidate limited to 15 points • CIA with CA /CISA /CFE etc. combination 2.5 points for each candidate limited to 15 points. 		15

(b) A bidder that fails to obtain at least **80 points** will not be considered for further evaluation in stage 3 (Price and BBBEE).

STAGE 3: PRICE AND BBBEE

Evaluation element	Weighting
PRICE	80
BBBEE	20
Total	100

a. **Price Evaluation:**

- i. A maximum of 80 Points are allocated for the bid with the lowest price. Bid pricing must include 15% VAT.

b. **B-BBEE Evaluation:**

- i. A maximum of **20 points** are allocated depending on the status level of contributor of the bidder.
- ii. Sworn Affidavits and BEE rating certificates are applicable and scoring will be done as per BBEE Status Level of Contributor stipulated in the Preferential Procurement Regulations (2017) as indicated in the table below:

BBBEE STATUS LEVEL OF CONTRIBUTION	POINTS
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
0	0

Bidders must submit valid Sworn Affidavits / BBBEE Certificates which will be verified by the WCGRB.

(c) **Pricing Instructions**

- i. Where quantities are given in the pricing schedule, these are provisional and do not necessarily represent the actual amount of work to be done. The quantities of work accepted and certified for payment will be used for determining payments due and not the quantities given in the pricing schedule.
- ii. Hourly rates tendered in the pricing schedule shall be final and binding and shall not be subject to any variation throughout the period of the contract, unless so approved by the Board.
- iii. The budget for the internal audit plan is set yearly in advance in conjunction with the audit firm. The cost of each audit/review becomes final and binding prior to execution. Any extension of time claim is not accommodated. All overruns shall be for the account of the audit firm unless it is proven that any delay suffered was as a result of the WCGRB.
- iv. The Board shall not cover the costs of any disbursements. These are deemed to be included

in the hourly rates. This includes travel to and from the WCGRB for the execution of the plan and attendance of official meetings.

- v. Copies of timesheets must be attached to the invoice and will be payable after the relevant project report has been received in the office of the WCGRB's Chief Financial Officer.
- vi. **The number of hours per annum listed in the pricing schedule are based on estimates. These hours are not binding on the WCGRB and shall only be used for evaluation purposes. Where the estimated hours are nil (i.e. Senior Manager and Specialists), the hourly rate is still required for contractual purposes should the need for that position arise. These positions are required on an ad hoc basis and therefore, shall not form part of the evaluation.**

Submissions Close: 8 July 2022

Closing Time: 11:00 AM

No late bids will be considered

Submission of proposals:

Post of deliver Bids to: TENDER BOX
Western Cape Gambling and Racing Board
100 Fairway Close
Parow
7500
Enquiries: juliet@wcgrb.co.za

Annexure A: (To be used for Section 3)

CONTACTABLE REFERENCE				
SECTION 1: TO BE COMPLETED BY THE BIDDER				
NAME:				
CONTACT PERSON:				
DESIGNATION/ POSITION:				
CONTACT DETAILS				
TELEPHONE:				
CELLULAR NUMBER:				
DESCRIPTION OF SERVICE RENDERED			VALUE OF CONTRACT (i.e. THE SERVICE PROVIDED) INCLUSIVE OF VAT (Rand)	
SECTION 2: TO BE COMPLETED BY CONTACTABLE REFERENCE:				
ASSESS THE PERFORMANCE OF THE BIDDER BY ANSWERING THE STATED QUESTIONS.				
SCORES MUST ALSO BE ASSESSED IN TERMS OF FOUR INDICATORS.				
0 = VERY POOR	40 = POOR	70 = SATISFACTORY	90 = GOOD	100 = VERY GOOD
<u>QUESTIONS</u>			<u>ANSWERS</u>	<u>SCORING</u>
			<u>(Y/N)</u>	
1. Did the bidder adhere to the budget and indicated timelines as stipulated within the engagement letter?				
2. Did the audit team add any value by developing recommendations for enhancement or improvement of processes?				
3. Was the audit team as proposed by the bidder adequate for the various assignments in the rendering of internal audit services?				
4. How was the level of service as rendered by the bidder for the duration of the contract?				
TOTAL SCORE				
TOTAL AVERAGE SCORE				
(TOTAL SCORE/4)				

The undersigned, who warrants that he / she is duly authorised to do so on behalf of the enterprise, confirms that the contents of this schedule are within my personal knowledge and are to the best of my belief both true and correct.

SIGNATURE:

DATE:

**COMPANY STAMP OF
CONTACTABLE REFERENCE**

Annexure B: (To be used for Section 4)

	NAME	JOB TITLE	QUALIFICATIONS (RELEVANT CERTIFICATES TO BE PROVIDED)	NO. OF YEARS SPECIFIED EXPERIENCE	TIME ALLOCATION ON THIS PROJECT	ROLES AND RESPONSIBILITIES ON THIS PROJECT
STAFF MEMBER 1						
STAFF MEMBER 2						
STAFF MEMBER 3						
STAFF MEMBER 4						
STAFF MEMBER 5						
STAFF MEMBER 6						

	NAME	JOB TITLE	QUALIFICATIONS (RELEVANT CERTIFICATES TO BE PROVIDED)	NO. OF YEARS SPECIFIED EXPERIENCE	TIME ALLOCATION ON THIS PROJECT	ROLES AND RESPONSIBILITIES ON THIS PROJECT
STAFF MEMBER 7						
STAFF MEMBER 8						
STAFF MEMBER 9						
STAFF MEMBER 10						
STAFF MEMBER 11						

	NAME	JOB TITLE	QUALIFICATIONS (RELEVANT CERTIFICATES TO BE PROVIDED)	NO. OF YEARS SPECIFIED EXPERIENCE	TIME ALLOCATION ON THIS PROJECT	ROLES AND RESPONSIBILITIES ON THIS PROJECT
STAFF MEMBER 12						

PRICING SCHEDULE
(Internal audit services)

NAME OF BIDDER:

BID NO.: **WCGRB CB0012022: Internal Audit Services**

CLOSING TIME: **11:00** CLOSING DATE: **08 July 2022**

OFFER TO BE VALID FOR 60 DAYS FROM THE CLOSING DATE OF BID.

ITEM	DESCRIPTION	BID PRICE IN RSA CURRENCY
NO		** (ALL APPLICABLE TAXES INCLUDED)

1. The accompanying information must be used for the formulation of proposals.
2. Please do not amend the estimated man hours per annum.
3. Are the rates quoted firm for the full period of contract? *YES/NO

Pricing Schedule (Please do not amend the estimated man hours per annum)

NO.	POSITION	ESTIMATED MAN HOURS PER ANNUM	YEAR 1 (1 Aug 2022 – 31 July 2023)	YEAR 1 (1 Aug 2022 – 31 July 2023)	YEAR 2 (1 Aug 2023 – 31 July 2024)	YEAR 2 (1 Aug 2023 – 31 July 2024)	YEAR 3 (1 Aug 2024 – 31 July 2025)	YEAR 3 (1 Aug 2024 – 31 July 2025)	TOTAL OFFER FOR ALL 3 YEARS
			HOURLY RATE	TOTAL	HOURLY RATE	TOTAL	HOURLY RATE	TOTAL	
1.	PARTNER / DIRECTOR	80							
2.	SENIOR MANAGER	*0							
3.	MANAGER	150							
4.	ASSISTANT MANAGER / SUPERVISOR	200							
5.	CONSULTANT/ AUDITOR	300							
6.	JUNIOR CONSULTANT/ TRAINEE AUDITOR	350							
7.	SPECIALISTS	*0							
TOTAL OFFER (EXCL. VAT)									
ADD VAT @ 15%									
TOTAL OFFER (INCL. VAT)									

I, the undersigned, do hereby declare that the above is a properly priced schedule forming part of this contract document upon which my/our tender has been based.

SIGNED ON BEHALF OF TENDERER:	
--------------------------------------	--

Bid No.:

Name of Bidder:

PROVINCIAL GOVERNMENT WESTERN CAPE

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

1. To give effect to the requirements of the Western Cape Provincial Treasury Instructions, 2019: Supply Chain Management (Goods and Services), Public Finance Management Act (PFMA) Supply Chain Management (SCM) Instruction No. 3 of 2021/2022 - SBD 4 Declaration of Interest, Section 4 (1)(b)(iii) of the Competition Act No. 89 of 1998 as amended together with its associated regulations, the Prevention and Combating of Corrupt Activities Act No 12 of 2004 and regulations pertaining to the tender defaulters register, Paragraph 16A9 of the National Treasury Regulations and/or any other applicable legislation.
2. Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.
3. All prospective bidders intending to do business with the Institution must be registered on the Central Supplier Database (CSD) and the Western Cape Supplier Evidence Bank (WCSEB) if they wish to do business with the Western Cape Government (WCG) via the electronic Procurement Solution (ePS).
4. The status of enterprises and persons listed on the National Treasury's Register for Tender Defaulters will be housed on the ePS. Institutions may not under any circumstances procure from enterprises and persons listed on the Database of Tender Defaulters.
5. The status of suppliers listed on the National Treasury's Database of Restricted Suppliers will be housed on the ePS; however, it remains incumbent on institutions to check the National Treasury Database of Restricted Suppliers before the conclusion of any procurement process. For suppliers listed as restricted, institutions must apply due diligence and risk assessment before deciding to proceed with procurement from any such supplier.

6. Definitions

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

"Bid rigging (or collusive bidding)" occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and/or services through a bidding process. Bid rigging is, therefore, an agreement between competitors;

If you know of any corrupt, fraudulent or collusive actions in the Institution, please report it by calling the National Hotline 0800 701 701

This form must be completed annually. Should the information herein declared change in the course of the year or before the next renewal or in relation to any bid, quotation or contract, it is the entity's responsibility to advise the Institution in writing of the change in such details.

“business interest” means -

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

“Consortium or Joint Venture” means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;

“Controlling interest” means, the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise;

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

Any person who directly or indirectly -

- (a) accepts or agrees or offers to accept an! gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person; or
- (b) gives or agrees or offers to give to any other person any gratification, whether for the benefit of that other person or for the benefit of another person., in order to act personally or by influencing another person so to act, in a manner—
 - (i) that amounts to the-
 - (aa) illegal. dishonest. unauthorised. incomplete. or biased: or
 - (bb) misuse or selling of information or material acquired in the course of the exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation:
 - (ii) that amounts to-
 - (aa) the abuse of a position of authority;
 - (bb) a breach of trust; or
 - (cc) the violation of a legal duty or a set of rules;
 - (iii) designed to achieve an unjustified result; or
 - (iv) that amounts to any other unauthorised or improper inducement to do or 45 not to do anything. of the, is guilty of the offence of corruption.

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

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“employee”, in relation to –

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

“entity” means any -

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

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

“Family member” means a person's -

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

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

“Institution” means –

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

“Provincial Government Western Cape (PGWC)” means

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

“RWOEE” means -

Remunerative Work Outside of the Employee's Employment

“spouse” means a person's -

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

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This form must be completed annually. Should the information herein declared change in the course of the year or before the next renewal or in relation to any bid, quotation or contract, it is the entity's responsibility to advise the Institution in writing of the change in such details.

7. Regulation 13(c) of the Public Service Regulations (PSR) 2016, effective 1 February 2017, prohibits any employee from conducting business with an organ of state, or holding a directorship in a public or private company doing business with an organ of state unless the employee is a director (in an official capacity) of a company listed in schedules 2 and 3 of the Public Finance Management Act.
 - a) Therefore, by 31 January 2017 all employees who are conducting business with an organ of state should either have:
 - (i) resigned as an employee of the government institution or;
 - (ii) cease conducting business with an organ of state or;
 - (iii) resign as a director/shareholder/owner/member of an entity that conducts business with an organ of state.
8. Any legal person, or their family members, may make an offer or offers in terms of this invitation to bid. In view of potential conflict of interest, in the event that the resulting bid, or part thereof, be awarded to family members of persons employed by an organ of state, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where the bidder is employed by the Institution.
9. The bid of any bidder may be disregarded if that bidder or any of its directors abused the institution's supply chain management system; committed fraud or any other improper conduct in relation to such system; disclosure is found not to be true and complete; or failed to perform on any previous contract.
10. Section 4(1)(b)(iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging). Collusive bidding is a per se prohibition meaning that it cannot be justified under any grounds.
11. Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorises accounting officers and accounting authorities to:
 - a) disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
 - b) cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
12. Communication between partners in a joint venture or consortium will not be construed as collusive bidding.

If you know of any corrupt, fraudulent or collusive actions in the Institution, please report it by calling the National Hotline 0800 701 701

This form must be completed annually. Should the information herein declared change in the course of the year or before the next renewal or in relation to any bid, quotation or contract, it is the entity's responsibility to advise the Institution in writing of the change in such details.

SECTION C: PERFORMANCE MANAGEMENT AND BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES			
To enable the prospective bidder to provide evidence of past and current performance.			
C1.	Did the entity conduct business with an organ of state in the last twelve months? (If yes complete Table C)	NO	YES

C2. TABLE C

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

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

If you know of any corrupt, fraudulent or collusive actions in the Institution, please report it by calling the National Hotline 0800 701 701

This form must be completed annually. Should the information herein declared change in the course of the year or before the next renewal or in relation to any bid, quotation or contract, it is the entity's responsibility to advise the Institution in writing of the change in such details.

SECTION D: DULY AUTHORISED REPRESENTATIVE TO DEPOSE TO AFFIDAVIT
 This form must be signed by a duly authorised representative of the entity in the presence of a commissioner of oaths.

- I, hereby swear/affirm;
- i. that the information disclosed above is true and accurate;
 - ii. that I have read understand the content of the document;
 - iii. that I have arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor.
 - iv. that the entity undertakes to independently arrive at any offer at any time to the Institution without any consultation, communication, agreement or arrangement with any competitor. In addition, that there will be no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specification, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates;
 - v. that the entity or its representative are aware of and undertakes not to disclose the terms of any bid, formal or informal, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract; and
 - vi. that there have been no consultations, communications, agreements or arrangements made with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and that my entity was not involved in the drafting of the specifications or terms of reference for this bid.

.....
DULY AUTHORISED REPRESENTATIVE'S SIGNATURE

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

- 1.1 Do you know and understand the contents of the declaration? ANSWER:
- 1.2 Do you have any objection to taking the prescribed oath? ANSWER:
- 1.3 Do you consider the prescribed oath to be binding on your conscience? ANSWER:.....
- 1.4 Do you want to make an affirmation? ANSWER:
- 2. I certify that the deponent has acknowledged that he/she knows and understands the contents of this declaration, which was sworn to/affirmed and the deponent's signature/thumbprint/mark was place thereon in my presence.

.....
 SIGNATURE FULL NAMES Commissioner of Oaths

Designation (rank) ex officio: Republic of South Africa

Date:..... Place

Business Address:

.....

If you know of any corrupt, fraudulent or collusive actions in the Institution, please report it by calling the National Hotline 0800 701 701

This form must be completed annually. Should the information herein declared change in the course of the year or before the next renewal or in relation to any bid, quotation or contract, it is the entity's responsibility to advise the Institution in writing of the change in such details.

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017 AND CODES OF GOOD PRACTICE

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

NB: BEFORE COMPLETING THIS FORM, BIDDERS (TENDERERS) MUST STUDY THE BROAD BASED BLACK ECONOMIC EMPOWERMENT ACT AND THE CODES OF GOOD PRACTICE

1. DEFINITIONS

- 1.1 **“acceptable tender”** means any tender which, in all respects, complies with the specifications and conditions of tender as set out in the tender document.
- 1.2 **“affidavit”** is a type of verified statement or showing, or in other words, it contains a verification, meaning it is under oath or penalty of perjury, and this serves as evidence to its veracity and is required for court proceedings.
- 1.3 **“all applicable taxes”** includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- 1.4 **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- 1.5 **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 1.6 **“bid”** means a written offer on the official bid documents or invitation of price quotations and “tender” is the act of bidding /tendering; ***(Therefore in the context of the 2017 regulations “bidder” and “tenderer” have the same meaning***
- 1.7 **“Code of Good Practice”** means the generic codes or the sector codes as the case may be;
- 1.8 **“consortium or joint venture”** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;
- 1.9 **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
- 1.10 **“EME”** is an Exempted Micro Enterprise with an annual total revenue of R10 million or less.

- 1.11 **“Firm price”** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 1.12 **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specification as set out in the tender documents;
- 1.13 **“Large Enterprise”** is any enterprise with an annual total revenue above R50 million;
- 1.14 **“non-firm prices”** means all prices other than “firm” prices;
- 1.15 **“person”** includes a juristic person;
- 1.16 **“price”** includes all applicable taxes less all unconditional discounts;
- 1.17 **“proof of B-BBEE status level contributor”** means-
- (a) The B-BBEE status level certificate issued by an authorized body or person;
 - (b) A sworn affidavit as prescribed in terms of the B-BBEE Codes of Good Practice; or
 - (c) Any other requirement prescribed in terms of the Broad- Based Black Economic Empowerment Act.
- 1.18 **QSE** is a Qualifying Small Enterprise with an annual total revenue between R10 million and R50 million;
- 1.19 **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of the tender invitation;
- 1.20 **“sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
- 1.21 **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- 1.22 **“the Regulations”** means the Preferential Procurement Regulations, 2017;
- 1.23 **“total revenue”** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette on 11 October 2013*;
- 1.24 **“trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and

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

2. GENERAL CONDITIONS

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

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

2.2 Preference point system for this bid:

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

2.3 Preference points for this bid shall be awarded for:

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

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

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

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

2.6 The 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.

3. ADJUDICATION USING A POINT SYSTEM

- 3.1 Subject to Regulation 11 of the Regulations, the bidder obtaining **the highest number of total points** will be awarded the contract.
- 3.2 A tenderer must submit proof of its B-BBEE status level of contributor in order to claim points for B-BBEE.
- 3.3 A tenderer failing to submit proof of B-BBEE status level of contributor or is a non-compliant contributor to B-BBEE will not be disqualified but will only score:
 (a) points out of 80 for price; and
 (b) 0 points out of 20 for B-BBEE
- 3.4 Points scored must be rounded off to the nearest 2 decimal places.
- 3.5 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 3.6 When functionality is part of the evaluation process and two or more bids have scored equal total points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest points for functionality.
- 3.7 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 SYSTEM

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

$$\begin{array}{ccc}
 \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\
 P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right) & \text{or} & P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)
 \end{array}$$

Where

- Ps = Points scored for price of bid under consideration
 Pt = Price of tender under consideration
 Pmin = Price of lowest acceptable tender

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

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

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

- 5.2 An **EME** must submit a valid, originally certified affidavit confirming annual turnover and level of black ownership or an affidavit issued by Companies Intellectual Property Commission
- 5.3 A **QSE that is less than 51% (50% or less) black owned** must be verified in terms of the QSE scorecard issued via Government Gazette and submit a valid, original or a legible certified copy of a B-BBEE Verification Certificate issued by SANAS.
- 5.4 A **QSE that is at least 51% black owned (51% or higher)** must submit a valid, originally certified affidavit confirming turnover and level of black ownership as well as declare its empowering status or an affidavit issued by Companies Intellectual Property Commission.
- 5.5 A **large enterprise** must submit a valid, original or originally certified copy of a B-BBEE Verification Certificate issued by a verification agency accredited by SANAS.
- 5.6 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 5.7 A trust, consortium or joint venture (including unincorporated consortia and joint ventures) must submit a consolidated B-BBEE status level verification certificate for every separate tender.
- 5.8 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.

- 5.9 A tenderer may not be awarded points for B-BBEE status level of contributor if the bid documents indicate that the tenderer intends sub-contracting more than 25% of the value of the contract to any other person not qualifying for at least the points that such a tenderer qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.
- 5.10 A tenderer 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 of contributor 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 PARAGRAPH 5

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

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or an affidavit confirming annual total revenue and level of black ownership in terms of the relevant sector code applicable to the tender.

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 or QSE? **YES / NO** (*delete which is not applicable*)

9. DECLARATION WITH REGARD TO COMPANY/FIRM

9.1 Name of company/ entity:

9.2 VAT registration number:

9.3 Company Registration number:

9.4 *I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBEE status level of contribution indicated in paragraph 7 above, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:*

- (a) *The Western Cape Government reserves the right to audit the B-BBEE status claim submitted by the bidder.***
- (b) *As set out in Section 130 of the B-BBEE Act as amended, any misrepresentation constitutes a criminal offence. A person commits an offence if that person knowingly:***
 - (i) *misrepresents or attempts to misrepresent the B-BBEE status of an enterprise;***
 - (ii) *provides false information or misrepresents information to a B-BBEE Verification Professional in order to secure a particular B-BBEE status or any benefit associated with compliance to the B-BBEE Act;***
 - (iii) *provides false information or misrepresents information relevant to assessing the B-BBEE status of an enterprise to any organ of state or public entity; or***
 - (iv) *engages in a fronting practice.***
- (c) *If a B-BBEE verification professional or any procurement officer or other official of an organ of state or public entity becomes aware of the commission of, or any attempt to commit any offence referred to in paragraph 9.1 (a) above will be reported to an appropriate law enforcement agency for investigation.***
- (d) *Any person convicted of an offence by a court is liable in the case of contravention of 9.4 (b) to a fine or to imprisonment for a period not exceeding 10 years or to both a fine and such imprisonment or, if the convicted person is not a natural person to a fine not exceeding 10% of its annual turnover.***
- (e) *The purchaser may, if it becomes aware that a bidder may have obtained its B-BBEE status level of contribution on a fraudulent basis, investigate the matter. Should the investigation warrant a restriction be imposed, this will be referred to the National Treasury for investigation, processing and imposing the restriction on the National Treasury's List of Restricted Suppliers. The bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, may be restricted from obtaining business from any organ of state for a period not***

exceeding 10 years, after the audi alteram partem (hear the other side) rule has been applied.

- (f) The purchaser may, in addition to any other remedy it may have –**
 - (i) disqualify the person from the bidding process;**
 - (ii) recover costs, losses or damages it has incurred or suffered as a result of that person’s conduct;**
 - (iii) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation; and**
 - (iv) forward the matter for criminal prosecution.**

(g) The information furnished is true and correct.

(h) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 2 of this form.

SIGNATURE(S) OF THE BIDDER(S):

DATE:

ADDRESS:

.....

WITNESSES:

1.

2.

CONTRACT FORM - PURCHASE OF GOODS/WORKS/SERVICES

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

PART 1 (TO BE FILLED IN BY THE BIDDER)

1. I hereby undertake to supply all or any of the goods and/or works /services described in the attached bidding documents to Western Cape Gambling and Racing Board in accordance with the requirements and specifications stipulated in bid number WCGRB CB0012022- Internal Audit Services at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the purchaser during the validity period indicated and calculated from the closing time of bid.

2. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Bidding documents, viz
 - Invitation to bid;
 - Tax clearance certificate;
 - Pricing schedule(s);
 - Technical Specification(s);
 - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2017; [WCBD 6.1]
 - Declaration of Interest; Declaration of bidder's past SCM practices and Certificate of Independent Bid Determination [WCBD 4]
 - Special Conditions of Contract;
 - (ii) *General Conditions of Contract; and*
 - (iii) *Other (specify)*

3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the goods and/or works specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.

4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.

5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.

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

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

WITNESSES	
1
2.
DATE:

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT

NOTES

The purpose of this document is to:

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

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

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

TABLE OF CLAUSES

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General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:
 - 1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
 - 1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 “Day” means calendar day.
 - 1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.
 - 1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.
 - 1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
 - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
 - 1.12 ”Force majeure” means an event beyond the control of the supplier and not involving the supplier’s fault or negligence and not foreseeable.

Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

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

- 2. Application**
- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.
- 3. General**
- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za
- 4. Standards**
- 4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.
- 5. Use of contract documents and information; inspection.**
- 5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.
- 6. Patent rights**
- 6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.
- 7. Performance security**
- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

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

**8. Inspections,
tests and
analyses**

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

supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

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

9. Packing

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

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

10. Delivery and documents

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

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

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

- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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

14. Spare parts

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

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

15. Warranty

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

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

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

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

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

- 16. Payment**
- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.
- 17. Prices**
- 17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.
- 18. Contract amendments**
- 18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.
- 19. Assignment**
- 19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.
- 20. Subcontracts**
- 20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.
- 21. Delays in the supplier's performance**
- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

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

the intended penalty as not objected against and may impose it on the supplier.

23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.

23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:

- (i) the name and address of the supplier and / or person restricted by the purchaser;
- (ii) the date of commencement of the restriction
- (iii) the period of restriction; and
- (iv) the reasons for the restriction.

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

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

24. Anti-dumping and countervailing duties and rights

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

25. Force Majeure

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security,

damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

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

26. Termination for insolvency

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

27. Settlement of Disputes

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

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

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

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

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

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

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

28. Limitation of liability

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

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

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

- 29. Governing language** 29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
- 30. Applicable law** 30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
- 31. Notices** 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
- 32. Taxes and duties** 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
- 33. National Industrial Participation Programme (NIP)** 33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.