



employment & labour

Department:
Employment and Labour
REPUBLIC OF SOUTH AFRICA



REQUEST FOR PROPOSALS FOR THE APPOINTMENT OF A SERVICE PROVIDER TO RENDER ACTUARIAL SERVICES, TO THE UNEMPLOYMENT INSURANCE FUND FOR A PERIOD OF SIXTY (60) MONTHS

TENDER NUMBER : UIF8/2020
DATE ISSUED : 2 March 2021
BRIEFING SESSION DATE : Refer to page 4 of the specification
CLOSING DATE AND TIME : 26 March 2021 at 11h00
BID VALIDITY PERIOD : 90 Calendar days

TENDER BOX ADDRESS : Unemployment Insurance Fund
ABSA TOWERS
Ground Floor
230 Lillian Ngoyi Street
Pretoria
0002

TENDER BRIEFING SESSION Refer to page 4 of the specification
ADDRESS : Unemployment Insurance Fund
ABSA TOWERS
Ground Floor
230 Lillian Ngoyi Street
Pretoria
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WORKING FOR YOU

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A BID PROCEDURES AND APPLICABLE LEGISLATION

1. INTRODUCTION

The Unemployment Insurance Fund (UIF) is a schedule 3A public entity in terms of the Public Finance Management Act (PFMA), Act 1 of 1999. The supreme mandate of the Unemployment Insurance Fund (UIF) is derived from section 27(1) (c) of the Constitution of the Republic Of South Africa. The Unemployment Insurance Fund provides social security to its contributors in line with section 27(1) (c) which states that "everyone has the right to social security".

The mandate of the Unemployment Insurance Fund is stated in the Unemployment Insurance Act, No 63 of 2001 (as amended). The Unemployment Insurance Fund was established in terms of section 4(1) of the Unemployment Insurance Act. The Act empowers the Unemployment Insurance Fund to register all employers and employees in South Africa and pay those who qualify for unemployment insurance benefits.

Treasury Regulations issued in terms of the Public Finance Management Act, 1999 section 3, paragraph 3.2.5 states that an internal audit unit may be partly or wholly contracted to an external organization with specialist audit expertise, provided that its selection is in accordance with the relevant government's competitive tendering procedures.

2. PURPOSE OF THIS REQUEST FOR PROPOSALS (RFP)

The purpose of this Request for Proposal (RFP) is to solicit proposals from potential bidders(s) to provide for the appointment of a service provider to render actuarial services to the Unemployment Insurance Fund for a period of sixty (60) months

3. LEGISLATIVE FRAMEWORK OF THE BID

3.1 Tax Legislation

In terms of Preferential Procurement Regulations (2017), no tender may be awarded to any bidder whose Tax matters have not been declared by the South African Revenue Services (SARS) to be in order. Therefore, bidders must provide the Fund with the tax compliance PIN or the MAAA number obtainable when registering on the CSD. This is required in order for the Fund to verify the tax status of a bidder as part of the tender proposal, in order for the Fund to verify compliance to the Unemployment Insurance Act (UIA). The bidder must also ensure that all sub-contractors (if applicable) are tax compliant.

It must be noted that bidders must not only be compliant when submitting a proposal to the Unemployment Insurance Fund but must remain compliant for the entire contract term with all applicable tax legislation, including but not limited to the Income Tax Act, 1962 (Act No. 58 of 1962) and Value Added Tax Act, 1991 (Act No. 89 of 1991).

3.2 Unemployment Insurance Act, 63 of 2001 (as amended)

The mandate of the Unemployment Insurance Fund is stated in the UIA. The UIF was established in terms of section 4(1) of the UIA No 63 of 2001 (as amended). The Act empowers the UIF to register all employers and employees in South Africa and pay those who qualify for unemployment insurance benefits.

3.3 Unemployment Insurance Contributions Act (UICA), 4 of 2002

Section 9 of the UICA empowers the Unemployment Insurance Commissioner to collect contributions from all those employers who are not required to register as employers in terms of the fourth schedule to the Income Tax Act (ITA) and are not liable for the payment of the skills development levy in terms of the Skills Development Act. These contributions, together with those collected by the SARS Commissioner, in terms of section 8 of the UICA, are used to pay benefits and any other expenditure reasonably incurred relating to the application of the UIF Act.

Bidders must include a compliance certificate as part of their bid proposals which is obtainable from:

Table 1

Name	Designation	Contact Details (including e-mail address)
Central e-mail address: To be used by service providers and bidders for application purposes.		Compliance@uif.gov.za or Tenderletter@uif.gov.za if you don't have employees qualifying to be registered by the UIF 012 337 1448
Ms TJ Gabela	Assistance Director: Compliance	Jabu.Gabela@labour.gov.za 012 337 1485/ 082 600 9368
Mr SN Gumede	Deputy Director: Compliance	Siphamandla.gumede@labour.gov.za 012 337 1448 / 082 600 9568

3.4 Procurement Legislation

The Unemployment Insurance Fund has a detailed evaluation methodology premised on Treasury Regulation 16A3 promulgated under Section 76 of the Public Finance Management Act, 1999 (Act, No. 1 of 1999), the Preferential Procurement Policy Framework Act 2000 (Act, No.5 of 2000) and the Broad-Based Black Economic Empowerment Act, 2003 (Act, No. 53 of 2003) and the Unemployment Insurance Fund Act.

3.5 Technical Legislation and/or Standards

Bidder(s) should be cognisant of the legislation and/or standards specifically applicable to the required services.

4. BRIEFING SESSION

A virtual briefing- and clarification session will be held **12 March 2021 at 10H00** via the Microsoft Teams Meeting platform to clarify to bidder(s) the scope and extent of work to be executed by the bidder. **Attendance is optional but highly recommended.** Bidders who wish to attend the session should provide their email

addresses to UIFTenders@LABOUR.gov.za A link to the virtual session will be provided to all bidders who provided their email addresses before 11 March 2021 at 12H00.

5. CLARIFICATION QUERIES

Bidders may raise any clarification queries and forward these via email to UIFTenders@labour.gov.za. The final date and time for receipt of clarification queries is 22 March 2021 15H00.

The UIF undertakes to respond to all queries duly received by 23 March 2021 at 17h00. All clarification queries received and responses provided will be uploaded on the National Treasury E-Tender Portal up to three (3) working days before the closing of the bid, unless there is a compulsory tender briefing session. Responses to clarification queries will only emailed to those bidders who attended the compulsory session.

6. TIMELINE OF THE BID PROCESS

The period of validity of the tender and the withdrawal of offers, after the closing date and time is ninety (90) calendar days commencing from the tender closing date. The project timeframes of this bid are set out below:

Table 2

Activity	Due Date
Advertisement of bid on National Treasury's E-tender portal and the Government Tender Bulletin:	2 March 2021
Briefing session, if applicable:	12 March 2021 at 10H00
Closing date for questions from prospective bidders relating to the Bid:	23 March 2021 15H00
Bid/Tender closing date:	26 March 2021 11H00

Prospective bidders must also take note of the following:

- 6.1** All dates and times in this bid document are South African standard times.
- 6.2** Any time or date in this bid is subject to change at the Unemployment Insurance Fund's discretion.
- 6.3** The establishment of a time or date in this bid does not create an obligation on the part of the Unemployment Insurance Fund to take any action, or create any right in any way for any bidder to demand that any action is taken on the date established.
- 6.4** The bidder accepts that, if the Unemployment Insurance Fund extends the deadline for the submission of bids (the Closing Date) for any reason, the requirements of this bid will apply equally to the extended deadline.

7. CONTACT AND COMMUNICATION

- 7.1** Bidder(s) can make enquiries in writing: e-mail UIFTenders@labour.gov.za regarding this bid.
- 7.2** The delegated office of the Unemployment Insurance Fund may communicate with bidders where clarity is sought regarding the bidding process or the specifications as set out in this document, provided that such communication takes place prior to the closing date of the bid.
- 7.3** Bidders must note that communication with an official or a person acting in an advisory capacity for the Unemployment Insurance Fund in respect of the bid is discouraged between the closing date and the award of the bid.
- 7.4** Communication during this stage of the bid process can only take place between officials from the Fund and bidders in writing.
- 7.5** Whilst all due care has been taken in connection with the preparation of this bid, the Fund makes no representations or warranties that the content of the bid or any information communicated to or provided to Bidder(s) during the bidding process is, or will be, accurate, current or complete. The Unemployment Insurance Fund, and its employees and advisors will not be liable with respect to any information communicated that may not be accurate, current or complete.
- 7.6** If bidders find or reasonably believe they have found any discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the

Unemployment Insurance Fund (other than minor clerical/administrative matters), such bidders must promptly notify the Fund in writing of such discrepancy, ambiguity, error or inconsistency in order to afford the Fund an opportunity to consider what corrective action is necessary (if any).

- 7.7** Any actual discrepancy, ambiguity, error or inconsistency in the bid or any other information provided by the Unemployment Insurance Fund will, if possible, be corrected and provided to all bidders without attribution to the bidders who provided the written notice.
- 7.8** All persons (including bidders obtaining or receiving the bid and any other information in connection with the bid or the tendering process must keep the contents of the bid and other such information confidential, and not disclose or use the information except as required for the purpose of developing a tender proposal in response to this bid.

8. LATE BIDS

Bids received after the closing date and time, at the address indicated in the bid document, will not be accepted for consideration and where practical, be returned unopened to the bidder(s). In terms of the Fund's policies, the closing time for all tenders is 11h00. Telkom's 1026 number is used to determine the accuracy of the closing time.

9. COUNTER CONDITIONS

Bidders' attention is drawn to the fact that amendments to any of the bid conditions or setting of counter conditions by Bidders or qualifying any bid conditions may result in the invalidation of such bids.

10. FRONTING

- 10.1** Government supports the spirit of broad based black economic empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background, the Government condemn any form of fronting.

- 10.2** Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry, be established the onus would be on the bidder/contractor to prove that fronting does not exist. Failure to do so within a period of fourteen (14) days from the date of notification may invalidate the bid/contract and may also result in the restriction of the bidder/contractor to conduct business with the public sector for a period not exceeding ten (10) years. This is in addition to any other remedies the Unemployment Insurance Fund may have against the bidder/contractor concerned.

11. SUPPLIER DUE DILIGENCE

The Unemployment Insurance Fund reserves the right to conduct supplier due diligence prior to the final award or at any time during the contract period. This may include, but is not limited to, site visits.

12. SUBMISSION OF PROPOSALS

Bidders must take note of the following regarding the submission of proposals/bids:

- 12.1** Bid documents must be placed in the tender box at the aforesaid address on or prior to the closing date and time of the bid as indicated in this document;
- 12.2** Bid documents will only be considered if received by the Unemployment Insurance Fund and placed in the tender box prior to the closing date and time;
- 12.3** Bidders must complete and sign the bid register when placing a bid in the tender box;
- 12.4** The bidder(s) are required to submit three (3) proposals: two (2) copies and one (1) original proposal by the closing date.
- 12.5** Each file must be marked correctly and sealed separately for ease of reference during the evaluation process.
- 12.6** Bidders are requested to initial each page of the tender document on the bottom right hand corner. **All mistakes made within the bid proposal should also be initialled. In addition, all pages in the tender document must be numbered.**
- 12.7** It is of utmost importance that bidders compile their proposals in the format as specified in Table 3 below:

Table 3

File Content
Section 1: Mandatory and administrative compliance documents listed in Table 5
Section 2: (PRICE & BBB-EE) Pricing Schedule (Annexure 3.3 form BBB-EE Certificate or Affidavit
Section 3: Company Profile Supplementary information such as Joint Venture Agreement(s) (if applicable); Sub-contracting Agreement(s) (if applicable); etc.
Section 4: Three (3) years audited/reviewed financial statements
Section 5: Response to functionality criteria
Section 6: All other documents

13. DURATION OF THE CONTRACT

The successful bidder will be appointed for a maximum period of sixty (60) months.

14. COMPLIANCE WITH UIF CONTRIBUTIONS AND DECLARATIONS

Bidders must comply for the Fund's requirements in terms of UIF contributions and Declarations. The following should be noted:

14.1 The Bidders must send an email to Compliance@uif.gov.za



- 14.2** The system will send an automated response to the client acknowledging receipt of the application and outlining the process of application;
- 14.3** The application form will be attached to the automated response for the applicant to complete and submit through the same e-mail address;
- 14.4** Provided that the applicant's employee/s declarations and contributions are up to date (to be verified and confirmed from the Fund's operations and financial systems), the applicant will be issued with a compliance certificate within seven (7) working days from receipt of the application;
- 14.5** If the above are not up to date, the application may/ will take up to thirty (30) days to finalize (taking into account engagements with the applicant to update his/her records);
- 14.6** It may take up to fourteen (14) days after receipt of declarations to update on the system;
- 14.7** Should contributions not be up to date, the Finance unit may take up to seven (7) days to calculate outstanding debt and issue a debt letter for the applicant to update the contributions;
- 14.8** If the applicant is a SARS employer (i.e. an employer required to pay their contributions at SARS), the applicant will be expected to update his/her contributions with SARS, which has their own process to finalize and confirm payments;
- 14.9** Contributions made via electronic funds transfers (EFT) may take up to seven (7) days to reflect on our bank statements depending on the bank used by the applicant;
- 14.10** Whilst the above process unfolds, the applicant will be expected to respond promptly to any request to update any of the compliance components to enable the office to finalize the process within thirty (30) days. After the expiry of thirty (30) days without updating of the outstanding information, the application will be rejected and closed. Any follow up requests will be treated as new and will follow the same process as above; and
- 14.11** Bidders must note that the Fund will only award a contract to a bidder who is fully compliant in terms of UIF contributions and declarations.

15. VETTING OF SERVICE PROVIDERS

The successful bidder(s) will be security screened (vetted) prior to the commencement of the contract. Therefore, bidders must include copies of the Identity Documents (ID) of the persons who own, manage and control the company.

Bidders will be evaluated in line with the Department of Employment and Labour (DoEL) / UIF policies.

16. SUB-CONTRACTORS / PARTNERSHIPS / JOINT VENTURES

Details of sub-contractors, partnerships and joint ventures must be provided as part of the bid proposal, if applicable. Relevant documentation relating to the above-mentioned must be included in the tender proposal.

In addition, compliance in terms of all legislation as set out in this document is also applicable to any sub-contracting partnership and joint venture company.

Bidders must submit concrete proof of the existence of joint ventures/consortium/sub-contracting arrangements. The fund will accept signed agreements as acceptable proof of the existence of a joint venture and/or consortium arrangement including sub-contracting.

The joint venture and/or consortium agreements must clearly set out the roles and responsibilities of the Lead Partner and the joint venture and/or consortium party. The agreement must also clearly identify the Lead Partner, with the power of attorney to bind the other party/parties in respect of matters pertaining to the joint venture and/or consortium arrangement.

17. LOCAL CONTENT

N/A

18. EVALUATION AND SELECTION CRITERIA

18.1 MINIMUM STANDARDS

The Fund has set minimum standards (Phases) that a bidder needs to meet in order to be evaluated and selected as a successful bidder. The minimum standards consist of the following:

Table 4

Phase 1	Phase 2	Phase 3
Primary review of mandatory and other bid requirements	Technical Compliance	Price and B-BBEE
<p>Bidders must submit all documents as outlined in paragraph 18.2 (Table 5) below.</p> <p>Only bidders that comply with ALL these criteria will be evaluated in Phase 2.</p>	<p>Bidder(s) are required to achieve a minimum of 70 points out of 100 points for the technical evaluation criteria in order to proceed to Phase 3 (Price and BB-BEE).</p>	<p>Bidder(s) will be evaluated in terms of Regulation 6 of the 2017 Preferential Procurement Regulations. (Refer to paragraph 16.4 of this bid document for the detail)</p>

18.2 PHASE 1 – PRIMARY REVIEW OF MANDATORY AND OTHER BID DOCUMENTS

Without limiting the generality of the Fund's other critical requirements for this Bid, bidder(s) **must** submit the documents listed in **Table 5** below.

All documents must be completed and signed by the duly authorised representative of the prospective bidder(s). During this phase, bidder responses will be reviewed to establish compliance with the listed administration and mandatory bid requirements.

Table 5

Bidders must submit all documents and information as per the table below:

Documents that must be submitted	Non-submission may result in disqualification	
Invitation to Bid – SBD 1 (Annexure A)	**Yes	Complete and sign the supplied pro forma document
Pricing Schedule (Annexure B) plus SBD 3.3	*Yes	<p>Bidders should Indicate the total tender price (inclusive of all applicable taxes) for the duration of the contract period on the SBD 3.3</p> <p>Bidders should ensure that the total price in the proposal (Annexure B) corresponds with the price on the SBD 3.3</p>
Declaration of Interest – SBD 4 (Annexure C)	**Yes	Complete and sign the supplied pro forma document.
Preference Point Claim Form – SBD 6.1 (Annexure D)	**Yes	Complete and sign the supplied pro forma document. Non-submission will result in a zero score for B-BBEE
Declaration of Bidder's Past Supply Chain Management Practices – SBD 8 (Annexure E)	**Yes	Complete and sign the supplied pro forma document.
Certificate of Independent Bid Determination – SBD 9 (Annexure F)	**Yes	Complete and sign the supplied pro forma document.
Registration on Central Supplier Database (CSD)	**Yes	<p>The bidders must be registered as service providers on the Central Supplier Database (CSD). Bidders who are not registered must proceed to complete the registration of your company prior to submitting your proposal.</p> <p>Visit https://secure.csd.gov.za/ to obtain your vendor number.</p> <p>The proof is the registration certificate received from the CSD indicating the unique vendor number issued.</p>

Documents that must be submitted	Non-submission may result in disqualification	
Tax Compliance Status PIN	***No	Bidders must provide a tax compliance status PIN or the MAAA number obtainable when registering on the CSD in order for the Fund to verify the tax status of all bidders who submitted proposals.

Important note:

** Non-submission of the required pricing information (both the SBD 3.3 and the detailed pricing schedule (Annexure B2) in the bid proposal will lead to immediate disqualification.*

***Incomplete and unsigned SBD forms that still exist at the Phase 2 evaluation stage will lead to disqualification.*

****Failure by a bidder to be tax compliant at the award stage or have written proof from SARS to verify their tax compliance status, or the arrangement the bidder has made with SARS to meet outstanding tax obligations, will lead to disqualification.*

18.3 PHASE 2 - TECHNICAL/FUNCTIONAL COMPLIANCE

All bidders are required to respond to the technical evaluation criteria scorecard (refer to **Annexure D** and primary criteria checklist (refer to Table 5).

Only Bidders that have met the Primary Criteria in **Phase 1** will be evaluated in **Phase 2** for functionality. Functionality will be evaluated in **Phase 2** as follows:

Bidders will be evaluated out of 100 points in respect of their expertise in the relevant field. Any bidder that scores less than 70 points out of 100 on functionality shall not be considered for **Phase 3** of the evaluation process.

Refer to Annexure J for the detailed scoring guideline on the applicable evaluation criteria that will apply.

18.4 PHASE 3 - PRICE AND BBB-EE EVALUATION (80/20)

Only Bidders that have met the 70-point threshold in **Phase 2** will be evaluated in **Phase 3** for Price and BBB-EE. Price and BBB-EE will be evaluated as outlined in the paragraphs below.

It is not foreseen that the value of this bid will exceed R50 million. Therefore, in terms of regulation 6 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated on the 80/20-preference point system in terms of which points are awarded to bidders on the basis of:

Price: 80

Bidders must ensure that a comprehensive and relatively competitive bid price inclusive of VAT and all other related costs are submitted in terms of the price/rates proposal. The quoted price must be for the full duration of the contract period.

Bidders must also complete the enclosed SBD 3.3 that forms part of the tender pack provided to all bidders.

BBB-EE Contribution Status Level: 20

Bidders will score a minimum of 0 (zero) points and a maximum of 20 (twenty) points, depending on their level of B-BBEE contribution status.

- The bid price (maximum 80 points)
- BB-BEE status level of contributor (maximum 20 points)

Stage 1 – Price Evaluation (80 Points)

The following formula will be used to calculate the points for price:

Where:

Ps = Points scored for comparative price of bid under consideration

Pt = Comparative price of bid under consideration

Pmin = Comparative price of lowest acceptable bid

Stage 2 – B-BBEE Evaluation (20 Points)

B-BBEE Points allocation

A maximum of 20 points may be allocated to a bidder for attaining their B-BBEE status level of contributor in accordance with the table below:

Table 7

B-BBEE Status Level of Contributor	80/20 Number of Points
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

However, if it become unclear during the course of the bidding process which preference point system will be applicable, then either the 80/20 or the 90/10 preference point system will apply and the lowest acceptable bid will be used to determine the applicable preference point system.

B-BBEE points will be allocated to bidders on submission of the following documentation or evidence:

- A duly completed Preference Point Claim Form: Standard Bidding Document (SBD 6.1); and
- An original or valid B-BBEE Certificate or a certified copy thereof issued by a verification agency accredited by SANAS or an affidavit if applicable whichever is applicable to the bidder (refer to Table 8 below for more detail).
- Bidders must note that a B-BBEE compliance certificate or affidavit must be included as part of the proposal in order to claim B-BBEE points.

The checklist below (refer to **Table 8**) indicates the B-BBEE documents that must be submitted for this tender. Failure to submit the listed documents in will result in the bidder scoring zero in terms of B-BBEE preferential procurement provisions. However, such a bidder will not be excluded from the tender process.

Table 8

Classification	Turnover	Submission Requirement
Exempted Micro Enterprise (EME)	Below R10 million p.a.	A sworn affidavit signed by the EME representative and attested by a Commissioner of Oath or a certified copy of BBB-EE Rating Certificate from a SANAS Accredited rating agency.
Qualifying Small Enterprise (QSE)	Between R10 million and R50 million p.a.	A sworn affidavit in relation to Level 1 and 2 QSEs and a certified copy of the B-BBEE Rating Certificate from a SANAS accredited rating agency for all other QSEs.

Classification	Turnover	Submission Requirement
Generic Enterprise (Large Businesses)	Greater than R50 million p.a.	A certified copy of the B-BBEE Rating Certificate from a SANAS Accredited rating agency.
*Visit http://www.thedtic.gov.za/wp-content/uploads/BEE_Affidavit-QSE-Gen to obtain the template of the correct format for the required sworn affidavit.		

(a) Joint Ventures and Consortiums

Incorporated Joint Ventures must submit the B-BBEE status certificate of the entity. Unincorporated Joint Ventures must submit a consolidated B-BBEE scorecard as if they were a group structure for every separate tender. These B-BBEE certificates must have been issued by a SANAS accredited verification agency.

(b) Sub-contracting

Bidders/tenderers who want to claim Preference points must submit proof of the B-BBEE status level of sub-contractor(s) in order for the Fund to verify compliance with section 11(8) and 11(9) of the PPPFA Act with regard to sub-contracting quoted below.

The following is an extract from the PPPFA Act:

11(8) “A person must not be awarded points for B-BBEE status level if it is indicated in the tender documents that such a tenderer intends sub- contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a tenderer qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.”

11(9) “A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher BBB-EE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.”

Stage 3 (80 + 20 = 100 points)

The Price and BBB-EE points will be consolidated.

18.5 Financial Statement Analysis

Bidder(s) are required to submit complete set audited/reviewed annual financial statements (Statement of Comprehensive income, Statement of financial position, Statement of cash flows and accompanying notes) in the name of the bidding entity for three (3) years.

A Financial Statement Analysis will only be conducted on the qualifying bidders after the completion of Pricing and BBEE evaluation.

Entities trading for less than 3 (three) financial periods, should provide reasons in a letter signed by a duly authorised individual of the entity. All documentation to support the reasons of the entity trading for less than three (3) financial periods should accompany this submission.

In the case of an unincorporated Joint Venture (JV), the separate annual financial statements of all the entities forming part of the JV should be submitted. A copy of the JV legal agreement detailing the percentage ownership of each entity should also be included in the submission.

Incorporated JVs must submit financial statements in the name of the incorporated JV entity.

19. GENERAL CONDITIONS OF CONTRACT

Any award made to a bidder(s) under this bid is conditional, amongst others, upon:

- 19.1** the bidder(s) accepting the terms and conditions contained in the General Conditions of Contract (refer to **Annexure I** as the minimum terms and conditions upon which the Fund is prepared to enter into a contract with the successful Bidder(s);
- 19.2** the bidder submitting the General Conditions of Contract to the Fund together with its bid, duly signed by an authorised representative of the bidder.

20. CONTRACT PRICE ADJUSTMENT/ANNUAL ESCALATION

Annual escalations should be CPI related as published by Stats SA.

21. SERVICE LEVEL AGREEMENT / CONTRACT

- 21.1** Upon award of the tender, the Fund and the successful bidder(s) will conclude a contract / service level agreement regulating the specific terms and conditions applicable to the goods and/or services being procured by the Fund.
- 21.2** The bid specifications of this bid will form an integral part of the contract / service level agreement tender document and therefore bidders must clearly indicate in their proposals whether the specific goods and/or services offered are according to specification or not.

22. SPECIAL CONDITIONS OF THIS BID

The Fund reserves the right:

- 22.1** not to award or to cancel this tender in terms of Regulation 13(1) of 2017 which provides for cancellation (i) should there be no longer a need for the goods/services; (ii) funds are no longer available to cover the total envisaged expenditure; (iii) no acceptable bid is received; and (iv) there is a material irregularity in the tender process.
- 22.2** to negotiate a market-related price with a bidder in accordance with the provisions of Regulation 9(b) of the Preferential Procurement Regulations, 2017;
- 22.3** to accept part of a tender rather than the whole tender;
- 22.4** to carry out site inspections, product evaluations or explanatory meetings in order to verify the nature and quality of the services offered by the bidder(s), whether before or after adjudication of the Bid;
- 22.5** to correct any mistakes at any stage of the tender that may have been in the Bid documents or occurred at any stage of the tender process;
- 22.6** to conduct Financial Statement Analysis only on the recommended bidder(s) after completion of the pricing and B-BBEE evaluation stage. In this regard bidders are referred to the EVALUATION AND SELECTION CRITERIA section in terms of which bidders are required to submit completed sets of audited/reviewed annual financial statements for 3 (three) periods, in the name of the bidding entity. (Submission of none or less than the required periods should be accompanied by a letter of explanation);
- 22.7** not to award the tender to the bidder whose financial statements are not in order.
- 22.8** award to multiple bidders to spread the risk.

23. THE FUND REQUIRES BIDDER(S) TO DECLARE

In the Bidder's Technical response, bidder(s) are required to declare the following:

Confirm that the bidder(s) is to –

- 23.1** act honestly, fairly, and with due skill, care and diligence, in the interests of the Fund;
- 23.2** have and employ effectively the resources, procedures and appropriate technological systems and equipment for the proper performance of the services;
- 23.3** act with circumspection and treat the Fund fairly in a situation of conflicting interests;
- 23.4** comply with all applicable statutory or common law requirements applicable to the conduct of business;
- 23.5** make adequate disclosures of relevant material information including disclosures of actual or potential own interests, in relation to dealings with the Fund;
- 23.6** avoidance of fraudulent and misleading advertising, canvassing and marketing;
- 23.7** conduct their business activities with transparency and consistently uphold the interests and needs of the Fund as a client before any other consideration; and
- 23.8** to ensure that any information acquired by the bidder(s) from the Fund will not be used or disclosed unless the written consent of the client has been obtained to do so.

24. CONFLICT OF INTEREST, CORRUPTION AND FRAUD

The Fund reserves its right to disqualify any bidder who either itself or any of whose members (save for such members who hold a minority interest in the bidder through shares listed on any recognised stock exchange), indirect members (being any person or entity who indirectly holds at least a 15% interest in the bidder other than in the context of shares listed on a recognised stock exchange), directors or members of senior management, whether in respect of the Unemployment Insurance Fund or any other government organ or entity and whether from the Republic of South Africa or otherwise ("Government Entity") -

- 24.1** engages in any collusive tendering, anti-competitive conduct, or any other similar conduct, including but not limited to any collusion with any other bidder in respect of the subject matter of this bid;

- 24.2** seeks any assistance, other than assistance officially provided by a Government Entity, from any employee, advisor or other representative of a Government Entity in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity;
- 24.3** makes or offers any gift, gratuity, anything of value or other inducement, whether lawful or unlawful, to any of the Fund's officers, directors, employees, advisors or other representatives;
- 24.4** makes or offers any gift, gratuity, anything of any value or other inducement, to any Government Entity's officers, directors, employees, advisors or other representatives in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity;
- 24.5** accepts anything of value or an inducement that would or may provide financial gain, advantage or benefit in relation to procurement or services provided or to be provided to a Government Entity;
- 24.6** pays or agrees to pay to any person any fee, commission, percentage, brokerage fee, gift or any other consideration, that is contingent upon or results from, the award of any tender, contract, right or entitlement which is in any way related to procurement or the rendering of any services to a Government Entity;
- 24.7** has in the past engaged in any matter referred to above; or
- 24.8** has been found guilty in a court of law on charges of fraud and/or forgery, regardless of whether or not a prison term was imposed and despite such bidder, member or director's name not specifically appearing on the List of Tender Defaulters kept at National Treasury.

25. MISREPRESENTATION DURING THE LIFECYCLE OF THE CONTRACT

- 25.1** The bidder should note that the terms of this bid will be incorporated in the proposed contract with the successful bidder by reference, and that the Fund relies upon the bidder's response to this bid as a material representation in making an award to a successful bidder and in concluding an agreement with the bidder.

25.2 It follows therefore, that misrepresentations in a bid response / proposal may give rise to service termination and a claim by the Fund against the bidder notwithstanding the conclusion of the Service Level Agreement between the Fund and the bidder for the provision of the service in question. In the event of a conflict between the bidder's proposal and the Service Level Agreement concluded between the parties, the Service Level Agreement will prevail.

26. PREPARATION COSTS

The bidder will bear all its costs in preparing, submitting and presenting any response or proposal to this bid and all other costs incurred by the bidder throughout the bid process. Furthermore, no statement in this bid will be construed as placing the Fund, its employees or agents under any obligation whatsoever, including in respect of costs, expenses or losses incurred by the bidder in the preparation of their response to this bid.

27. INDEMNITY

If a bidder breaches the conditions of this bid and, as a result of that breach the Fund incurs costs or damages (including, without limitation, the cost of any investigations, procedural impairment, repetition of all or part of the bid process and/or enforcement of intellectual property rights or confidentiality obligations), then the bidder indemnifies and holds the Fund harmless from any and all such costs which the Fund may incur and for any damages or losses the Fund may suffer.

28. PRECEDENCE

This document will prevail over any information provided during any briefing session whether oral or written, unless such written information provided, expressly amends this bid document by reference.

29. LIMITATION OF LIABILITY

A bidder participates in this bid process entirely at its own risk and cost. The Fund shall not be liable to compensate a bidder on any grounds whatsoever for any costs incurred or any damages suffered as a result of the bidder's participation in this bid process.

30. TAX COMPLIANCE

No tender shall be awarded to a bidder who is not tax compliant. The Fund reserves the right to withdraw an award made, or cancel a contract concluded with the successful bidder in the event that it is established that such bidder was in fact not tax compliant at the time of the award, or whose verification against the Central Supplier Database (CSD) proves to be non-compliant. It remains the duty of a successful bidder to remain tax compliant for the full duration of the contract.

31. NATIONAL TREASURY - PROHIBITED BIDDERS

No tender shall be awarded to a bidder whose name (or any of its members, directors, partners or trustees) appears on the Register of Tender Defaulters kept by National Treasury, or who have been placed on National Treasury's List of Restricted Suppliers. The Fund reserves the right to withdraw an award, or cancel a contract concluded with a bidder should it be established, at any time, that a bidder has been blacklisted with National Treasury by another government institution.

32. GOVERNING LAW

South African law governs this bid and the bid response process. The bidder agrees to submit to the exclusive jurisdiction of the South African courts in any dispute of any kind that may arise out of or in connection with the subject matter of this bid, the bid itself and all processes associated with the bid.

33. RESPONSIBILITY FOR SUB-CONTRACTORS AND BIDDER'S PERSONNEL

A bidder is responsible for ensuring that its personnel (including agents, officers, directors, employees, advisors and other representatives), its sub-contractors (if any) and personnel of its sub-contractors comply with all terms and conditions of this bid. In the event that the Fund allows a bidder to make use of sub-contractors, such sub-contractors will at all times remain the responsibility of the bidder and the Fund will not under any circumstances be liable for any losses or damages incurred by or caused by such sub-contractors.

34. CONFIDENTIALITY

Except as may be required by operation of law, by a court or by a regulatory authority having appropriate jurisdiction, no information contained in or relating to this bid or a bidder's tender(s) will be disclosed by any bidder or other person not officially involved with the Fund's examination and evaluation of a Tender.

No part of the bid may be distributed, reproduced, stored or transmitted, in any form or by any means, electronic, photocopying, recording or otherwise, in whole or in part except for the purpose of preparing a Tender. This bid and any other documents supplied by the Fund remain proprietary to the Fund and must be promptly returned to the Fund upon request together with all copies, electronic versions, excerpts or summaries thereof or work derived there from.

Throughout this bid process and thereafter, bidders must secure the Fund's written approval prior to the release of any information that pertains to (i) the potential work or activities to which this bid relates; or (ii) the process that follows this bid. Failure to adhere to this requirement may result in disqualification from the bid process and civil action.

No confidential information relating to the process of evaluating or adjudicating tenders or appointing a bidder will be disclosed to a bidder or any other person not officially involved with such process.

35. THE FUNDS PROPRIETARY INFORMATION

Bidders must on their bid cover letter make a declaration that they did not have access to any of the Fund's proprietary information or any other matter that may have unfairly placed that bidder in a preferential position in relation to any of the other bidders.

PROPOSAL SUBMISSION CHECKLIST

No	Description	Yes	No
1.	One original and two copies prepared for submission on closing date (paragraph 12.4, page 8)		
2.	Each page of the proposal numbered and initialed <u>as well as changes within pages initialed</u> (paragraphs 12.6, page 8)		
3.	UIF Compliance certificate enclosed: UIF contributions and declarations up to date (paragraph 14, page 9)		
4.	Contents of the proposal document is according to Table 3 (paragraph 12.7, page 9)		
5.	Copies of ID's included for vetting (paragraph 15, page 11)		
6.	Audited/reviewed annual financial statements (paragraph 17.5, page 19)		
7.	Sworn affidavit or certified copy of BBB-EE rating certificate from a SANAS accredited rating agency Page 18		
8.	SBD documents listed in Table 5, pages 13-15: Completed and signed pro forma documents submitted for - SBD 1 (Annexure A), SBD 4 (Annexure C), SBD 6.1 (Annexure D), SBD 8 (Annexure F), SBD 9 (Annexure G); SBD 3.3 The total tender price inclusive of VAT for the duration of the contract period must be completed and submitted as part of the proposal (see Annexures B1 and B2 for detailed pricing requirements)		
9.	TAX Compliance status PIN/Tax clearance certificate (Table 5, pages 14 & 15)		

PROPOSAL SUBMISSION CHECKLIST

No	Description	Yes	No
10.	Proof of registration on the Central Supplier Database (CSD) (Table 5, page 15)		
11.	Compliance to administrative and mandatory requirements enclosed (page 15)		



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B TECHNICAL SPECIFICATION AND SCOPE OF WORK

1. BACKGROUND AND SCOPE OF WORK

1.1 BACKGROUND

The Treasury, Investments & Actuarial Services (TIA) Directorate is responsible for overseeing the provision of actuarial services to the Fund.

The Unemployment Insurance Act of 2001 ("the Old Act") was amended by the Unemployment Insurance Amendment Act of 2016 ("the New Act") with effective date 18 January 2017. The Unemployment Insurance Act of 2001 ("the Act") was amended by the Labour Laws Amendment Act 2017("the Labour Laws Act") with effective date 01 November 2019.

The Accounting Authority of the Unemployment Insurance Fund is the Director General: Department of Employment and Labour and is required to submit annual financial statements for the Unemployment Insurance Fund within two months after 31 March annually.

Chapter 2, Section 9(1) of the Unemployment Insurance Act no 63 of 2001, as amended, requires the Fund to appoint an actuary who is a member of the Actuarial Society of South Africa to perform an actuarial valuation within two months after the end of each financial year, and provide an actuarial report for the Fund.

Service providers responding to this request should ensure that their proposals include all the requirements set out by the Fund as per the specification below.

1.2 SCOPE OF WORK

The submission of the Fund's actuarial valuation report two months after the end of each financial year as per the Unemployment Insurance Act no 63 of 2001, which should include:

1.2.1 A statement-

- (i) reflecting the actuarial value of the assets and liabilities of the Fund;
- (ii) On the financial soundness of the Fund; and
- (iii) On whether or not there was a surplus or deficit in the Funds for the Financial year in question;

1.2.2 An indication of –



- (i) The basis and method used to value the asset and liabilities of the Fund;
 - (ii) Any changes to the basis and method used to value the Fund as compared with the actuarial valuation report of the previous year; and
 - (iii) Any special consideration or restriction that the Director-General brought to the attention of or made applicable to the actuary in performing the functions in terms of this section;
- 1.2.3 An explanatory note on any matter relevant to obtaining a true and meaningful statement of the financial position of the Fund;
- 1.2.4 Recommendations for the maintenance or improvement of the financial soundness of the Fund;
- 1.2.5 A review of the expenses of the Fund as at the end of each financial year. The purpose of this investigation is to determine expense assumptions for use in the actuarial valuation of the Fund. The expenses in respect of both outstanding claims and future claims should be considered. A detailed report on the review should be submitted together with the annual actuarial valuation of the Fund. This report should include the determination of a claims handling expense ("CHE") ratio and the determination of a pay-as-you-go (PAYG) rate for benefit payments and future expenses.
- 1.2.6 The calibration of a model to forecast contribution revenue as at 31 March annually. The intended purpose of the revenue indicator model is to specifically produce best-estimate values of the Fund's future contribution revenue using exogenous economic variables.

1.3 INCLUDED IN THE ABOVE MENTIONED SCOPE OF WORK IS THE FOLLOWING:

- 1.3.1 Review of the data provided by the Fund specifically for valuation purposes;
- 1.3.2 Review of the assets of the Fund;
- 1.3.3 Review of the Fund's liabilities;
- 1.3.4 Determination of the Fund's unearned premiums reserve (UPR);
- 1.3.5 Determination of the Fund's pay-as-you-go ("PAYG") rate;
- 1.3.6 Determination of the Fund's unexpired risk reserve (URR) and the need for any additional unexpired risk reserve (AURR);
- 1.3.7 Reserving for outstanding claims reserve (OCR) taking the unemployment rate into consideration;



- 1.3.8 Reserving of the outstanding claims reserve (OCR) should take both outstanding reported claims reserves and incurred but not reported (IBNR) claims reserves into consideration;
- 1.3.9 An assessment of the sufficiency of the outstanding claims provision held at the previous valuation date;
- 1.3.10 Determination of the Technical Reserve of the Fund as at 31 March annually;
- 1.3.11 Recommend provision for a catastrophe or other contingency reserves, if required;
- 1.3.12 Projected financial position of the Fund as at 31 March annually over the next ten financial periods;
- 1.3.13 An audit file for each annual valuation which should include detailed working papers of all the reserve calculations made, assumptions applied and actuarial judgement made;
- 1.3.14 An assessment of reserves and capital on a Prudential Basis as at 31 March annually. This report should recommend Solvency Ratio/Solvency Capital Requirement;
- 1.3.15 Performs an annual Asset-Liability modelling study to inform an investment strategy. This report should include risk tolerances and implications for each asset class;
- 1.3.16 A statistics report for the financial year ending 31 March annually. This report should contain the statistical analyses of:
- ☐ Number of claims for each financial year by region, benefit type and gender;
 - ☐ Age distribution of claimants for each financial year by region, benefit type and gender;
 - ☐ Salary distribution of claimants for each financial year by region, benefit type and gender;
 - ☐ Average Cost Per Claim (ACPC) for each financial year by region, benefit type and gender;
 - ☐ Termination reasons for each financial year by region, benefit type and gender;
 - ☐ Number of rejected claims for each financial year by region, benefit type and gender;
 - ☐ Nil-paid claims split by region, gender and benefit type;
 - ☐ Average credit days at outset of a claim split by benefit type, gender and region
 - ☐ The proportion of credit days used split by benefit type and salary band;
 - ☐ The average period from unemployment to application split by benefit type, region and gender;

- ☐ The average period from unemployment to first payment split by region, gender and benefit type;
- ☐ Projection for claim numbers and payment amounts over a five-year period split by region and benefit type;
- ☐ Projection model for claims, over a five-year period split by region and benefit type, taking external economic variables into consideration;
- ☐ Comparison of UI claims versus market data trends for unemployment;
- ☐ Comparison of percentage claimants against number of registered employees;
- ☐ Comparison of number of staff per Labour Centre versus the number of claims processed per Labour Centre;
- ☐ Summary of operational cost per Labour Centre;
- ☐ Analysis of operational cost compared to amount of benefits paid;
- ☐ Analysis of operational cost per Labour Centre compared to amount of benefits paid per Labour Centre;
- ☐ Analysis of operational cost compared to contribution income;
- ☐ Analysis of operational cost compared to investment income;
- ☐ A summary of financial figures and prior year comparisons obtained from the Fund's Annual Financial statements as at 31 March annually;
- ☐ Percentage Claimants utilizing 100% of available credit days per benefit type;
- ☐ Average period of unemployment per benefit type – period between termination date and re-employment date;
- ☐ A further breakdown between dismissed and application date;
- ☐ The average days between the different stages of the claims settlement process per benefit, financial year, and channel (U-filling/Official Office);
- ☐ The number of claims processed in each stage of the claims settlement process per benefit type, financial year and channel (U-filling/Official Office);
- ☐ List of companies where employees claimed benefits but the companies are not registered with and not paying UIF contributions. This will include the number of employees per company per financial year;
- ☐ Turnaround time (time between application and first payment) on claims with complete information per benefit type and financial year;
- ☐ Percentage of manual registrations captured after receipt per benefit type, province and financial year;



- ☐ Percentage of verified manual declarations captured after receipt per benefit type, province and financial year;
 - ☐ Percentage of payment documents processed after receipt per benefit type, province and financial year;
 - ☐ Average number of calls/emails per month;
 - ☐ Average time which it takes to answer a call or email;
 - ☐ Average abandonment rate;
 - ☐ Performance stats per staff member;
 - ☐ Number of unreturned and response time since calls/emails/voicemail;
 - ☐ Average time between calls/emails;
 - ☐ Calls distributed through the call centre according to a number of options, which the caller selects from, based on the caller's requirements. Ideally, this analysis will be performed separately based on different options;
 - ☐ Other investigations maybe performed if data permits. For example, if there are recordings regarding the purpose and outcome of the call, these will be used to further assess the efficiency and level of service provided by the call centre;
 - ☐ List of companies not registered with the UIF but registered with SARS;
 - ☐ Compare payments made by UIF registered employers to the UIF and SARS by estimating implied salary roll through contributions/tax paid;
 - ☐ Develop a report that could be updated on a regular basis going forward;
 - ☐ Provide information on a way that will allow the UIF's IES to do targeted investigations (to this end, a discussion with the relevant resources within this department will be required).
- 1.4 Annual Impact of benefit structure or expense structure or contribution structure or investment policy/practice/process changes on the Fund.
- 1.5 Training/skills transfer to a UIF actuarial staff member, management or EXCO and/or data and models hand-over at the end of the contract.
- 1.6 Quarterly presentations of findings to UIF Management Committee, Executive Management Committee, Audit Committee, Financial Advisory Committee, Investment Committee, UI Board, National Treasury, Nedlac, DEL or other DEL department or any other UIF forum.
- 1.7 The handover process to the UIF, which shall be effective on the termination date of the agreement in a responsible and comprehensive manner, of all UIF files including copies of reports, documents, records, results of the calculations, written information

developed by the Service Provider or come into its possession pursuant to the signed agreement.

- 1.8 All reports submitted to the Fund must be peer reviewed by an internal Actuary before submission.

2. VARIOUS INFREQUENT TASKS

Infrequent reports **might** be requested from the Service Provider by the Investment Committee, Executive Committee and/or Board of the Fund as and when required. These infrequent reports should also be **included** in the scope of work, **included** in the pricing schedule and **included** in the final tender price reflected on the SBD3.3.

The anticipated services could be:

- 2.1 Impact of a contribution ceiling increase report;
- 2.2 Impact studies on changes to UIF legislation;
- 2.3 Inputs to implementation of a Management Information System;
- 2.4 Impact study on the economic condition of South Africa on the Fund;
- 2.5 Quarterly and/or other periodic presentations of findings to UIF Management Committee, Executive Management Committee, Audit Committee, Financial Advisory Committee, Investment Committee and UI Board;
- 2.6 Data Analysis (volumes, status, call centre, payments, employer compliance, claims vs contribution comparisons, turnaround time, virtual office, operational data tracking, comparison between UIF, CF & SARS etc.).



Annexure A: See attached SBD 1 - Invitation to Bid

Annexure B(1): See attached SBD 3.3 – Pricing Scheme for Professional Services

Annexure B(2): Detailed pricing schedule

The Unemployment Insurance Fund requires bidders to propose a pricing model of the service to be rendered as part of the final tender price over a period of 60 months. The pricing should be based on **activities**, therefore, **the total contract price**, including VAT **must be completed on the SDB 3.3 document**.

This serves a guideline for pricing/costing. All proposals must contain:

(1) A fee structure for the person(s) allocated to the service team assigned to the Fund and

(2) All fees quoted in the proposal must **be VAT inclusive and in line with the approved DPSA rates as per Annexure C.**

(1) The below fee structure is for the persons assigned to the service team must be based on:

- The person(s) allocated to the task/report and his/her capacity;
- Estimated time spent on the task/report (billable hours);
- Hourly rate per person allocated to the task/report;
- Total fee per year

Table 1:

- Total fee cumulative at the end of year 5

Task	Capacity	First Year Hourly Rate (incl VAT)	Second Year Hourly Rate (incl VAT)	Third Year Hourly Rate (incl VAT)	Fourth Year Hourly Rate (incl VAT)	Fifth Year Hourly Rate (incl VAT)	Total of all five years
Fixed	Lead/Principal Actuary	XXXX.XX	XXXX.XX	XXXX.XX	XXXX.XX	XXXX.XX	XXXXXX.XX
	First Actuarial Assistant	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXXXXX.XX
	Second Actuarial Assistant	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXXXXX.XX
	Peer Reviewer (Actuary)	XXXX.XX	XXXX.XX	XXXX.XX	XXXX.XX	XXXX.XX	XXXXXX.XX
Total		XXXXXX.XX	XXXXXX.XX	XXXXXX.XX	XXXXXX.XX	XXXXXX.XX	XXXXXX.XX

The fee structure above in table 1, for the persons of the service team should then be used as the basis to complete the below **tasks** table 2:

- The person(s) allocated to the task/report and his/her capacity;
- Estimated time spent on the task/report (billable hours);
- Hourly rate per person allocated to the task/report;
- Total fee per year
- Total fee cumulative at the end of year 5

NB: Each task/report must be peer reviewed and hours must be allocated for the peer review process accordingly.

Table 2:

RE-OCCURRING TASKS										
	Frequency	Capacity	Hourly Rate (incl VAT)	Hours	Cost First Year	Cost Second Year	Cost Third Year	Cost Fourth Year	Cost Fifth Year	Total of all five years
Valuation Report	Twice per year	Actuary								
		Two(2) Assistants								
		Peer Reviewer								
Expense Study Report	Twice per year	Actuary								
		Two(2) Assistants								
		Peer Reviewer								
Revenue Indicator Model	Once per year	Actuary								
		Two(2) Assistants								
		Peer Reviewer								
Statistical Report	Once per year	Actuary								
		Two(2) Assistants								
		Peer Reviewer								
Asset/Liabil ity Modelling Report	Once per year	Actuary								
		Two(2) Assistants								
		Peer Reviewer								
Annual Reserves and Capital Assessmen t	Once per year	Actuary								
		Two(2) Assistants								
		Peer Reviewer								
Annual Impact of benefit structure or expense structure or		Actuary								
		Two(2) Assistants								

contribution structure or investment policy/practice/process changes on the Fund.	Once per year	Peer Reviewer								
Training/skills transfer to UIF actuarial staff or management and/or data hand-over at the end of the contract.	Once per year	Actuary								
		Two(2) Assistants								
		Peer Reviewer								
Presentations of findings to UIF Governance structures.	Six times a year	Actuary								
		Two(2) Assistants								
		Peer Reviewer								

Infrequent Tasks

	Frequency	Capacity	Hourly Rate (incl VAT)	Hours	Cost First Year	Cost Second Year	Cost Third Year	Cost Fourth Year	Cost Fifth Year	Total Cost
Impact of a contribution ceiling increase report or other contribution /increase/experience-related work requested by the UIF.	Once a year, if required.	Actuary								
		Two(2) Assistants								
		Peer Reviewer								
Impact studies on changes to UIF legislation or anticipated changes in benefits / contributions / investment/ processes / procedures or anticipated	Once a year, if required.	Actuary								
		Two(2) Assistants								
		Peer Reviewer								

changes in the local or global environment.										
Impact study on change in the economic outlook or South African credit rating outlook or global economic outlook or any similar requests by the UIF.	Once a year, if required.	Actuary								
		Two(2) Assistants								
		Peer Reviewer								
Presentations of findings to UIF Governance structures.	Four times a year, if required.	Actuary								
		Two(2) Assistants								
		Peer Reviewer								
New reports / investigations required or updates originating from earlier reports/investigations	If required.	Actuary								
		Two(2) Assistants								
		Peer Reviewer								
Data Analysis (volumes, status, call centre, payments, employer compliance, claims vs contribution comparisons, turnaround time, virtual office, operational data tracking, comparison between UIF, CF & SARS etc.)	Once a year, if required.	Actuary								
		Two(2) Assistants								
		Peer Reviewer								

Inputs to implementation of a Management Information System or changes in any processes / procedures or any similar requests by the UIF.	Once a year, if required.	Actuary								
		Two(2) Assistants								
		Peer Reviewer								
Total										

The Parties to the contract may at any time agree to add tasks to the above scope of work and the below fixed fee structure for such additional services (ad-hoc tasks) will be applicable. A maximum allowance of 5000 hours for ad-hoc tasks must be priced in table 3 below:

Table 3:

Capacity	Hours	First Year Hourly Rate (incl VAT)	Second Year Hourly Rate (incl VAT)	Third Year Hourly Rate (incl VAT)	Fourth Year Hourly Rate (incl VAT)	Fifth Year Hourly Rate (incl VAT)	Total of all five years
Lead/Principal Actuary	250 hours * 5 years = 1250 hours	XXXX.XX	XXXX.XX	XXXX.XX	XXXX.XX	XXXX.XX	XXXXXX.XX
First Actuarial Assistant	300 hours *5 years = 1500 hours	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXXXXX.XX
Second Actuarial Assistant	300 hours *5 years = 1500 hours	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXXXXX.XX
Peer Reviewer (Actuary)	150 hours *5 years = 750 hours	XXXX.XX	XXXX.XX	XXXX.XX	XXXX.XX	XXXX.XX	XXXXXX.XX
Total	5000 hours	XXXXXX.XX	XXXXXX.XX	XXXXXX.XX	XXXXXX.XX	XXXXXX.XX	XXXXXX.XX

THE TOTAL AMOUNTS FOR ALL FIVE YEARS IN TABLE 2 AND TABLE 3 ABOVE MUST THEN BE ADDED TOGETHER AND THE TOTAL MUST BE COMPLETED ON THE SDB 3.3 DOCUMENT. This amount will constitute the contractual amount; however, the total amount in table 3 will only be utilized if and when required.

For ad-hoc tasks the successful service provider will quote the Fund for the service within five working days after receipt of the request. No work will commence until the service provider receives a purchase order from the Fund. Quotes for ad-hoc tasks should be based on the fixed rates quoted in table 1 and 3 above.

Any professional charges which will apply to the tender and the contract should be factored into all the quoted prices.

Bidders must note that the tariffs quoted must be fixed prices for the duration of the contract.

Rates for the first year must be in line with the prescribed DPISA rates.

All normal operating cost and out of pocket expenses such as photocopies, telephone calls, printing, the cost of all air travel, related accommodation and car rental cost and parking fees that is incurred by the service provider's personnel in providing the required actuarial service to the Fund shall be the responsibility of and at the cost of the Service Provider and must be included in the rates quoted.

Rates for the third, second, fourth and fifth years should be escalated in accordance with the percentage increase as indicated by bidders in the pricing schedule.



Annexure C: See attached SBD 4 – Declaration of Interest

Annexure D: Detailed bid evaluation criteria

The Bidder's information will be scored according to the following points system:

	DESCRIPTION	WEIGHT	TOTAL WEIGHT
	FUNCTIONALITY		100
1.	<p>The Head/Lead/Principle Actuary should have at least 10 years' experience in actuarial work as a head/lead/principal actuary.</p> <p>The CV and reference letter (Annexure E) of the Head/Lead/Principal Actuary which will be used to confirm the relevant experience of the person.</p> <p>This reference letter must be on a company letterhead, signed off by the referee and must state his/her (dis)satisfaction with the persons actuarial work performed.</p>	10	10
2.	<p>A) Number of person(s) within the service team assigned to the Fund, with a degree/a post graduate qualification or a masters degree or equivalent in the Actuarial field.</p> <p>B) Number of person(s) within the service team assigned to the Fund with practising certificate in short term insurance specifically related to actuarial work.</p> <p>C) Number of person(s) within the service team assigned to the Fund with affiliation with the Actuarial Society of South Africa.</p>	<p>10</p> <p>5</p> <p>5</p>	20
3.	The combined average experience of each individual member of the service team assigned	20	20



	<p>to the Fund in performing similar actuarial work should be between 20 and 30 years.</p> <p>The CV and reference letters (Annexure E) each individual member of the service team assigned to the Fund which will be used to confirm the relevant experience of the person.</p> <p>The reference letter must be on a company letterhead, signed off by the referee and must state his/her (dis)satisfaction with the persons actuarial work performed.</p>		
4.	<p>Supply a minimum of three (3) contactable corporate reference letters (Annexure D) confirming members of the service team assigned to the Fund's experience. The reference letter must be on a company letterhead, signed off by the referee and must state the company's (dis)satisfaction with the actuarial work performed.</p>	10	10
5.	<p>The bidder should attach a letter depicting the company's experience in performing similar actuarial work.</p>	10	10
6.	<p>Supply a minimum of three (3) contactable corporate reference letters confirming recent work performed by the company in the actuarial field. This information must be on a company letterhead, signed off by the referee and must state the company's (dis)satisfaction with the Actuarial work performed.</p>	10	10
7.	<p>The Bidder should prove its capacity in performing Actuarial work by submitting a letter, on a company letterhead, depicting:</p>		20

	A) The Head/Lead/Principal Actuary should have completed an actuarial valuation review(s);	5	
	B) The Head/Lead/Principal Actuary should have completed a Solvency Assessment in accordance with Prudential Authority Standards;	5	
	C) A person(s) within the service team assigned to the Fund should have completed an Asset and Liability Modelling study(ies);	5	
	D) Head Office or a Branch of the company must be in Gauteng;	1	
	E) The Head/Lead/Principal Actuary should demonstrate to have contributed to a body of actuarial knowledge by recommending projects or research papers with actuarial content at an actuarial sitting, convention or conference;	2	
	F) The actuarial service provider should have data science resource capacity to respond to challenges applying data science approaches.	2	

Annexure E: See attached SBD 6.1 – B-BBEE in terms of PPR 2017

Annexure F: N/A

Annexure G: See attached SBD 8 – Declaration of Bidder's past Supply Chain Management practices

Annexure H: See attached SBD 9 – Certificate of Independent Bid Determination

Annexure I: See attached General Conditions of contract



Annexure J: SCORING GUIDELINE FOR FUNCTIONALITY

The Bidder's information will be scored according to the following points system:

1	<p>The Head/Lead/Principle Actuary should have at least 10 – 12 years' experience in actuarial work as a head/lead/principal actuary.</p> <p>Experience of 0 to less than 10 years = 0 points Experience of 10 to less than 13 years = 6 points Experience of 13 to less than 20 years = 8 points Experience 20 years and above = 10 points</p>
2	<p>A) Number of person(s) within the service team assigned to the Fund, with a degree/a postgraduate qualification or a masters degree or equivalent in the Actuarial field.</p> <p>One person with a degree/a postgraduate qualification or a masters degree or equivalent in the Actuarial field = 2 points</p> <p>Two persons with a degree/a postgraduate qualification or a masters degree or equivalent in the Actuarial field = 4 points</p> <p>Three persons with a degree/a postgraduate qualification or a masters degree or equivalent in the Actuarial field = 6 points</p> <p>Four or more persons with a degree/a postgraduate qualification or a masters degree or equivalent in the Actuarial field = 10 points</p> <p>B) Number of person(s) within the service team assigned to the Fund with practising certificate in short term insurance specifically related to actuarial work.</p> <p>One person with a short term insurance practising certificate = 2 points</p> <p>Two person(s) with a short term insurance practising certificate = 3 points</p> <p>Three person(s) with a short term insurance practising certificate = 4 points</p> <p>Four or more person(s) with a short term insurance practising certificate = 5 points</p> <p>C) Number of person(s) within the service team assigned to the Fund with affiliation with the Actuarial Society of South Africa.</p>

	<p>One person affiliated with the Actuarial Society of South Africa = 2 points</p> <p>Two person(s) affiliated with the Actuarial Society of South Africa = 3 points</p> <p>Three person(s) affiliated with the Actuarial Society of South Africa = 4 points</p> <p>Four or more person(s) affiliated with the Actuarial Society of South Africa = 5 points</p>
3	<p>The combined average experience of each individual member of the service team assigned to the Fund in performing similar actuarial work is recommended to be between 20 and 30 years.</p> <p>Each service team member's combined average experience of less than 10 years = 5 points,</p> <p>Each service team member's combined average experience of between 10 years and less than 20 years = 10 points,</p> <p>Each service team member's combined average experience between 20 years and less than 30 years = 12 points,</p> <p>Each service team member's combined average experience between 30 years and less than 34 years = 14 points,</p> <p>Each service team member's combined average experience between 34 and less than 38 years = 16 points,</p> <p>Each service team member's combined average experience between 38 and less than 41 years = 18 points,</p> <p>Each service team member's combined average experience more than 41 years = 20 points.</p> <p>(The combined average experience will be calculated as follows: (Team member 1's total number of years actuarial experience + Team member 2's total number of years actuarial experience + Team member 3's total number of years actuarial experience + etc.) divided by the total number of team members)</p>
4	<p>Supply a minimum of three (3) contactable corporate reference letters confirming members of the service team assigned to the Fund's experience. This information must be on a company letterhead, signed off by the relevant person and must also state the company's (dis)satisfaction with the person's actuarial work performed.</p>

	<p>Less than three contactable corporate reference letters confirming members of the service team assigned to the Fund's experience = 0 points</p> <p>Three to five contactable corporate reference letters confirming members of the service team assigned to the Fund's experience = 5 points</p> <p>Six to eight contactable corporate reference letters confirming members of the service team assigned to the Fund's experience = 8 points</p> <p>More than eight contactable corporate reference letters confirming members of the service team assigned to the Fund's experience = 10 points</p>
5	<p>The bidder should attach a letter depicting the company's experience in performing similar actuarial work.</p> <p>The company's experience in similar actuarial work is less than 2 years = 0 points,</p> <p>The company's experience in similar actuarial work is 2 years to less than 5 years = 2 points,</p> <p>The company's experience in similar actuarial work is 5 years to less than 10 years = 4 points,</p> <p>The company's experience in similar actuarial work is 10 years to less than 15 years = 6 points,</p> <p>The company's experience in similar actuarial work is 15 years to less than 20 years = 8 points,</p> <p>The company's experience in similar actuarial work is 20 years or more = 10 points,</p>
6	<p>Supply a minimum of three (3) contactable corporate reference letters confirming recent work performed by the company in the actuarial field. This information must be on a company letterhead, signed off by the referee and must state the company's (dis)satisfaction with the company's actuarial work performed.</p> <p>Less than three contactable corporate reference letters confirming the company's experience = 0 points</p> <p>Three to five contactable corporate reference letters confirming the company's experience = 5 points</p> <p>Six to eight contactable corporate reference letters confirming the company's experience = 8 points</p>

	More than eight contactable corporate reference letters confirming the company's experience = 10 points
7.	<p>The Bidder should prove its capacity in performing Actuarial work by submitting a letter, on a company letterhead, depicting:</p> <p>A) The Head/Lead/Principal Actuary should have completed an actuarial valuation review(s);</p> <p>The Head/Lead/Principal Actuary completed only one actuarial valuation review(s) = 0 points The Head/Lead/Principal Actuary completed two to three actuarial valuation review(s) = 1 point The Head/Lead/Principal Actuary completed four to five actuarial valuation review(s) = 2 point The Head/Lead/Principal Actuary completed six to eight actuarial valuation review(s) = 3 point The Head/Lead/Principal Actuary completed nine to ten actuarial valuation review(s) = 4 point The Head/Lead/Principal Actuary completed more than ten actuarial valuation review(s) = 5 point</p> <p>B) The Head/Lead/Principal Actuary should have completed a Solvency Assessment in accordance with Prudential Authority Standards;</p> <p>The Head/Lead/Principal Actuary completed only one Solvency Assessment in accordance with Prudential Authority Standards = 0 points The Head/Lead/Principal Actuary completed two to three Solvency Assessment(s) in accordance with Prudential Authority Standards = 1 point The Head/Lead/Principal Actuary completed four to five Solvency Assessments in accordance with Prudential Authority Standards = 2 point The Head/Lead/Principal Actuary completed six to eight Solvency Assessments in accordance with Prudential Authority Standards = 3 point The Head/Lead/Principal Actuary completed nine to ten Solvency Assessments in accordance with Prudential Authority Standards = 4 point The Head/Lead/Principal Actuary completed more than ten Solvency Assessments in accordance with Prudential Authority Standards = 5 point</p> <p>C) A person(s) within the service team assigned to the Fund should have completed an Asset and Liability Modelling study(ies);</p> <p>A person within the service team assigned to the Fund completed only one Asset and Liability Modelling study = 0 points A person(s) within the service team assigned to the Fund completed two to three Asset and Liability Modelling studies = 1 point A person(s) within the service team assigned to the Fund completed four to five Asset and Liability Modelling studies = 2 point A person(s) within the service team assigned to the Fund completed six to eight Asset and Liability Modelling studies = 3 point</p>

	<p>A person(s) within the service team assigned to the Fund completed nine to ten Asset and Liability Modelling studies = 4 point</p> <p>A person(s) within the service team assigned to the Fund completed more than ten Asset and Liability Modelling studies = 5 point</p> <p>D) Head Office or a Branch of the company must be in Gauteng;</p> <p>The company's head office or a branch is not in Gauteng = 0 points</p> <p>The company's head office or branch is in Gauteng = 1 point</p> <p>E) The Head/Lead/Principal Actuary should demonstrate to have contributed to a body of actuarial knowledge by recommending projects or research papers with actuarial content at an actuarial sitting, convention or conference;</p> <p>The Head/Lead/Principal Actuary did not contribute to a body of actuarial knowledge by recommending projects or research papers with actuarial content at an actuarial sitting, convention or conference = 0 points</p> <p>The Head/Lead/Principal Actuary contributed once to a body of actuarial knowledge by recommending projects or research papers with actuarial content at an actuarial sitting, convention or conference = 1 points</p> <p>The Head/Lead/Principal Actuary contributed more than once to a body of actuarial knowledge by recommending projects or research papers with actuarial content at an actuarial sitting, convention or conference = 2 points</p> <p>F) The actuarial service provider should have data science resource capacity to respond to challenges applying data science approaches.</p> <p>The actuarial service provider has no data science resource capacity to respond to challenges applying data science approaches = 0 points;</p> <p>The actuarial service provider has one data science resource capacity to respond to challenges applying data science approaches = 1 points;</p> <p>The actuarial service provider has more than one data science resource capacity to respond to challenges applying data science approaches = 2 points;</p>
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Annexure I:



the dpsa

Department:
Public Service and Administration
REPUBLIC OF SOUTH AFRICA

Hourly Fee Rates For Consultants - With effect from 1 July 2020

In view of fiscal constraints, and after consultation with the Office of the Chief Procurement Officer, the Director-General: Public Service and Administration approved that the 2019 rates will apply in 2020

Salary Band	Average Total Package	Model A Short Term				Model B Long Term			
		Option A 1 All Overheads		Option A 2 Partial Overheads		Option B 1 All Overheads		Option B 2 Partial Overheads	
		A 1.1 Mark-up	A 1.2 No Mark-up	A 2.1 Mark-up	A 2.2 No Mark-up	B 1.1 Mark-up	B 1.2 No Mark-up	B 2.1 Mark-up	B 2.2 No Mark-up
16	1 997 628	3 995	3 076	3 436	2 637	None	None	None	None
15 / 16	1 766 953	3 534	2 721	3 039	2 332	2 915	2 244	2 509	1 926
15	1 536 278	3 073	2 366	2 642	2 028	2 535	1 951	2 182	1 675
14 / 15	1 398 142	2 796	2 153	2 405	1 846	2 307	1 776	1 985	1 524
14	1 302 509	2 605	2 006	2 240	1 719	2 149	1 654	1 850	1 420
13 / 14	1 201 602	2 403	1 850	2 067	1 586	1 983	1 526	1 706	1 310
13	1 092 286	2 185	1 682	1 879	1 442	1 802	1 387	1 551	1 191
12 / 13	995 007	1 642	1 264	1 413	1 085	1 473	1 134	1 264	965
12	897 728	1 481	1 140	1 275	979	1 329	1 023	1 140	871
11 / 12	827 611	1 366	1 051	1 175	902	1 225	943	1 051	803
11	757 494	1 250	962	1 076	826	1 121	864	962	735
10 / 11	707 501	1 167	899	1 005	771	1 047	807	899	686
10	657 508	973	750	835	638	921	710	789	611
9 / 10	598 985	886	683	761	581	839	647	719	557
6 to 8	395 779	586	451	503	384	554	427	475	368

How to determine the appropriate fee rate

1. Determine the consultancy option/model by applying the following criteria:

"Short Term" means less than 60 consulting days

"Long Term" means more than 60 consulting days

"All Overheads" means consultant provides all overheads e.g., office, parking, telephone

"Partial Overheads" means department provides some overheads e.g. office, parking, telephone

"Mark-up" provides for company profit margin - service normally provided by consulting company

"No Mark-up" service normally provided by individuals or NGOs

<< address line 1 >>

11/8



PROPOSAL SUBMISSION CHECKLIST

No	Description	Yes	No
1.	One original and two copies prepared for submission on closing date (paragraph 12.4, page 8)		
2.	Each page of the proposal numbered and initialed <u>as well as changes within pages initialed</u> (paragraphs 12.6, page 8)		
3.	UIF Compliance certificate enclosed: UIF contributions and declarations up to date (paragraph 14, page 9)		
4.	Contents of the proposal document is according to Table 3 (paragraph 12.7, page 9)		
5.	Copies of ID's included for vetting (paragraph 15, page 11)		
6.	Audited/reviewed annual financial statements (paragraph 17.5, page 19)		
7.	Sworn affidavit or certified copy of BBB-EE rating certificate from a SANAS accredited rating agency Page 18		
8.	SBD documents listed in Table 5, pages 13-15: Completed and signed pro forma documents submitted for - SBD 1 (<i>Annexure A</i>), SBD 4 (<i>Annexure C</i>), SBD 6.1 (<i>Annexure D</i>), SBD 8 (<i>Annexure F</i>), SBD 9 (<i>Annexure G</i>); SBD 3.3 The total tender price inclusive of VAT for the duration of the contract period must be completed and submitted as part of the proposal (see Annexures B1 and B2 for detailed pricing requirements)		
9.	TAX Compliance status PIN/Tax clearance certificate (Table 5, pages 14 & 15)		

#16 L

PROPOSAL SUBMISSION CHECKLIST

No	Description	Yes	No
10.	Proof of registration on the Central Supplier Database (CSD) (Table 5, page 15)		
11.	Compliance to administrative and mandatory requirements enclosed (page 15)		



[Handwritten signature] L

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	UIF8/2020	CLOSING DATE:	26 March 2021	CLOSING TIME:	11h00
DESCRIPTION	REQUEST FOR PROPOSALS FOR THE APPOINTMENT OF A SERVICE PROVIDER TO RENDER ACTUARIAL SERVICES, TO THE UNEMPLOYMENT INSURANCE FUND FOR A PERIOD OF SIXTY (60) MONTHS				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
Entrance Area, Unemployment Insurance Fund ABSA TOWERS Ground Floor 230 Lillian Ngoyi Street Pretoria 0002					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	Themba Maseko or Wilmari Kruger		CONTACT PERSON	Themba or Wilmari	
TELEPHONE NUMBER	012 337 1404/ 1876		TELEPHONE NUMBER	012 337 1404/ 1876	
FACSIMILE NUMBER	N/A		FACSIMILE NUMBER	N/A	
E-MAIL ADDRESS	UIFTenders@LABOUR.gov.za		E-MAIL ADDRESS	UIFTenders@LABOUR.gov.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	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE 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
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
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. 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.
1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).
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 VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA .
2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
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:

.....

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER: BID NO.: UIF8/2020...

CLOSING TIME 11:00

CLOSING DATE.....26 March 2021..

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

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)
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1. The accompanying information must be used for the formulation of proposals.

2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project.

R.....

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

4. PERSON AND POSITION

HOURLY RATE

DAILY RATE

.....

R.....

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R.....

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R.....

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R.....

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R.....

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

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R.....

..... days

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R.....

..... days

.....

R.....

..... days

.....

R.....

..... days

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

DESCRIPTION OF EXPENSE TO BE INCURRED

RATE

QUANTITY

AMOUNT

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R.....

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R.....

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R.....

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R.....

TOTAL: R.....

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

Name of Bidder:

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

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
.....	R.....
.....	R.....
.....	R.....
.....	R.....
TOTAL: R.....			

6. Period required for commencement with project after acceptance of bid
7. Estimated man-days for completion of project
8. Are the rates quoted firm for the full period of contract? *YES/NO
9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.
-
-
-

***[DELETE IF NOT APPLICABLE]**

Any enquiries regarding bidding procedures may be directed to the –

(INSERT NAME AND ADDRESS OF DEPARTMENT/ENTITY)

Tel:

Or for technical information –

(INSERT NAME OF CONTACT PERSON)

Tel:

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state¹, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

- the bidder is employed by the state; and/or
- the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

2. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

2.1 Full Name of bidder or his or her representative:

2.2 Identity Number:

2.3 Position occupied in the Company (director, trustee, shareholder²):

2.4 Company Registration Number:

2.5 Tax Reference Number:

2.6 VAT Registration Number:

- 2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / persal numbers must be indicated in paragraph 3 below.

¹"State" means –

- (a) any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (b) any municipality or municipal entity;
- (c) provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

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

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

2.7.1 If so, furnish the following particulars:

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

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

Position occupied in the state institution:

Any other particulars:

.....

.....

.....

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

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

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

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

.....

.....

.....

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

2.8.1 If so, furnish particulars:

.....

.....

.....

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

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 104

YES/NO

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.....
4.....
.....

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YES/NO

[illegible]

3

[illegible]

4 DECLARATION

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

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT.
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF
PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION
PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of bidder

2 March 2021

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

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

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

1. GENERAL CONDITIONS

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

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

1.2

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

1.3 Points for this bid shall be awarded for:

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

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

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

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

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

2. DEFINITIONS

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

3. POINTS AWARDED FOR PRICE

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

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

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

Where

Ps = Points scored for price of bid under consideration

P_t = Price of bid under consideration

P_{min} = Price of lowest acceptable bid

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

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

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
------------------------------------	---------------------------------	---------------------------------

1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

5. BID DECLARATION

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

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

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

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

7. SUB-CONTRACTING

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

(*Tick applicable box*)

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

7.1.1 If yes, indicate:

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

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

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

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

(*Tick applicable box*)

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

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

Designated Group: An EME or QSE which is at least 51% owned by:	EME √	QSE √
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		

Black people who are military veterans		
OR		
Any EME		
Any QSE		

8. DECLARATION WITH REGARD TO COMPANY/FIRM

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

8.2 VAT registration number:.....

8.3 Company registration number:.....

8.4 TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium

One person business/sole propriety

Close corporation

Company

(Pty) Limited

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

8.6 COMPANY CLASSIFICATION

Manufacturer

Supplier

Professional service provider

Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

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

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;

iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –

- (a) disqualify the person from the bidding process;
- (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
- (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
- (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution.

WITNESSES

1.

2.

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

DATE:

ADDRESS

.....

.....

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

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

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

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

SBD 8

CERTIFICATION

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

Js365bW

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Standard Bidding Document (SBD) must form part of all bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
 - a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
 - b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
- 4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

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

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

Js914w 2

Annexure A

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

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Contract amendments
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Dumping and countervailing duties
25. Force Majeure
26. Termination for insolvency
27. Settlement of disputes
28. Limitation of liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. National Industrial Participation Programme (NIPP)

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 | <p>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.</p> <p>2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.</p> <p>2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.</p> |
| 3. General | <p>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.</p> <p>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</p> |
| 4. Standards | <p>4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.</p> |
| 5. Use of contract documents and information; inspection. | <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> |
| 6. Patent rights | <p>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.</p> |
| 7. Performance security | <p>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.</p> |

- 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.

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| 16. Payment | <p>16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.</p> <p>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.</p> <p>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.</p> <p>16.4 Payment will be made in Rand unless otherwise stipulated in SCC.</p> |
| 17. Prices | <p>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.</p> |
| 18. Contract amendments | <p>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.</p> |
| 19. Assignment | <p>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.</p> |
| 20. Subcontracts | <p>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.</p> |
| 21. Delays in the supplier's performance | <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> |

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.