

LEPELLE NORTHERN WATER



TENDER NO: LNW05/26/27

CLOSING DATE: 13 November 2026 at 11h00

ISSUED BY:

LEPELLE NORTHERN WATER

Physical address: 01 Landros Mare Street
Polokwane
0700

Postal address: Private Bag X9522
Polokwane
0700

Tel: 015 295 1800

Fax: 015 295 1931

E-mail: information@lepelle.co.za

NAME OF TENDERER: _____

CSD NUMBER: MAAA _____

TOTAL AMOUNT: (incl. VAT) _____

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE LEPELLE NORTHERN WATER							
BID NUMBER:	LNW05/26/27	CLOSING DATE: 13 November 2026		CLOSING TIME:	11h00		
DESCRIPTION	PROVISION OF SHORT-TERM INSURANCE BROKERAGE SERVICES FOR LEPELLE NORTHERN WATER						
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT 01 LANDROS MARE STREET POLOKWANE							
LEPELLE NORTHERN WATER HEAD OFFICE							
01 LANDROS MARE STREET							
POLOKWANE							
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO				TECHNICAL ENQUIRIES MAY BE DIRECTED TO:			
CONTACT PERSON	Happiness Baloyi			CONTACT PERSON	Suzan Satekge		
TELEPHONE NUMBER	015 295 1800			TELEPHONE NUMBER	015 295 1800		
FACSIMILE NUMBER				FACSIMILE NUMBER			
E-MAIL ADDRESS	happinessb@lepelle.co.za			E-MAIL ADDRESS	suzans@lepelle.co.za		
SUPPLIER INFORMATION							
NAME OF BIDDER							
POSTAL ADDRESS							
STREET ADDRESS							
TELEPHONE NUMBER	CODE			NUMBER			
CELLPHONE NUMBER							
FACSIMILE NUMBER	CODE			NUMBER			
E-MAIL ADDRESS							
VAT REGISTRATION NUMBER							
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:			OR	MAAA		
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]			ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?	☐ Yes ☐ No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]		
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS							
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				☐ YES ☐ NO			
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				☐ YES ☐ NO			
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				☐ YES ☐ NO			
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				☐ YES ☐ NO			
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?				☐ YES ☐ 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, 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:

.....

TAX CLEARANCE CERTIFICATE REQUIREMENTS

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

- 1 In order to meet this requirement bidders are required to complete in full the attached form TCC 001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.
- 2 SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
- 3 The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.
- 4 In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.
- 5 Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website www.sars.gov.za.
- 6 Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.sars.gov.za.



TAX CLEARANCE

TCC 001

Application for a Tax Clearance Certificate**Purpose**Select the applicable optionTenders ☐ Good standing ☐

If "Good standing", please state the purpose of this application

Particulars of applicant

Name/Legal name (Initials & Surname or registered name)																														
Trading name (if applicable)																														
ID/Passport no											Company/Close Corp. registered no																			
Income Tax ref no											PAYE ref no	7																		
VAT registration no	4										SDL ref no	L																		
Customs code											UIF ref no	U																		
Telephone no	C O D E					N U M B E R					Fax no	C O D E					N U M B E R													
E-mail address																														
Physical address																														
Postal address																														

Particulars of representative (Public Officer/Trustee/Partner)

Surname																														
First names																														
ID/Passport no											Income Tax ref no																			
Telephone no	C O D E					N U M B E R					Fax no	C O D E					N U M B E R													
E-mail address																														
Physical address																														

Particulars of tender (If applicable)[illegible][illegible]

Are you currently aware of any Audit investigation against you/the company? If "YES" provide details	YES	NO
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Appointment of representative/agent (Power of Attorney)

I hereby authorise and instruct _____ to apply to and receive from SARS the applicable Tax Clearance Certificate on my/our behalf.

C	C	Y	Y	—	M	M	—	D	D
---	---	---	---	---	---	---	---	---	---

Signature of representative/agent

Date

[illegible]

Declaration

I declare that the information furnished in this application as well as any supporting documents is true and correct in every respect.

C	C	Y	Y	—	M	M	—	D	D
---	---	---	---	---	---	---	---	---	---

Signature of applicant/Public Officer

Date

[illegible]

1. It is a serious offence to make a false declaration.
2. Section 75 of the Income Tax Act, 1962, states: Any person who
 - (a) fails or neglects to furnish, file or submit any return or document as and when required by or under this Act; or
 - (b) without just cause shown by him, refuses or neglects to-
 - (i) furnish, produce or make available any information, documents or things;
 - (ii) reply to or answer truly and fully, any questions put to him ...As and when required in terms of this Act ... shall be guilty of an offence ...
3. **SARS will, under no circumstances, issue a Tax Clearance Certificate unless this form is completed in full.**
4. Your Tax Clearance Certificate will only be issued on presentation of your South African Identity Document or Passport (Foreigners only) as applicable.

1. BACKGROUND

Lepelle Northern Water hereby invites suitably qualified and experienced service providers to submit bids for the provision of short-term insurance brokerage services for a period of five (5) years.. The appointed service provider will be responsible for delivering professional insurance brokerage and advisory services, ensuring adequate insurance coverage, and supporting the effective management of insurable risks across the organization.

2. SPECIFICATION

Proposals are hereby invited for the provision of short-term insurance brokerage (Financial Services Advisor) services to Lepelle Northern Water (LNW) for a period of five (5) years contingent upon annual renewal based on satisfactory performance.

3. SCOPE OF WORK

OVERVIEW OF THE REQUIREMENT

Lepelle Northern Water (LNW) is a State-Owned Entity established in terms of the Water Services Act, 1997 (Act No. 108 of 1997), mandated to provide bulk water services and related water management functions within the Limpopo Province of South Africa.

LNW operates across all five district municipalities within Limpopo Province, namely:

- Capricorn District Municipality
- Mopani District Municipality
- Sekhukhune District Municipality

- Vhembe District Municipality
- Waterberg District Municipality

The organization owns immovable and movable assets, operates and maintains a diverse portfolio of strategic water infrastructure assets, including but not limited to:

- Water supply schemes and related infrastructure
- Bulk water pipelines, Barrage, Pump stations, Reservoirs and Boreholes
- Offices and administrative buildings
- Furniture and fittings
- Motor vehicle fleet
- Mechanical and electrical equipments
- Electronic and ICT infrastructure
- Laboratory equipment
- Road network and associated infrastructure

Due to the nature and geographical spread of its operations, Lepelle Northern Water is exposed to various operational, financial, environmental, regulatory and strategic risks. These include, amongst others:

- Damage to infrastructure and assets
- Mechanical and electrical breakdowns
- Motor vehicle accidents
- Theft, vandalism and malicious damage
- Public and third-party liability claims
- Professional liability exposure
- Business interruption and loss of revenue
- Cybercrime and loss of data
- Environmental incidents and pollution risks
- Occupational accidents and injuries
- Natural disasters such as floods, storms, droughts, lightning, fires and other catastrophic events
- Civil unrest and other unforeseen emergencies affecting service delivery

To safeguard its assets, operations and financial sustainability, Lepelle Northern Water requires a suitably qualified and experienced service provider to deliver comprehensive short-term insurance brokerage. The appointment will ensure adequate insurance protection, efficient claims management, proactive risk mitigation, business continuity support, and compliance with applicable legislation and governance requirements for a period of five (5) years, subject to annual performance reviews.

The scope of work includes the following:

Insurance programme design and placement

- Conducting LNW's comprehensive annual insurance risk profile.
- Reviewing organization insurance risk profile and identify new insurable risk
- Assess adequacy of the insurance cover
- Benchmark insurance program against the water sector
- Recommend appropriate policy limits and deductibles
- Negotiate favourable insurance terms, conditions, excesses and premiums with insurers (identify opportunity for premium savings without reducing protection).

Insurance placement services

- Arrange annual renewal and placement of insurance cover.
- Obtain at least three comparable insurer quotations where the market permits; any fewer quotations must be supported by documented market evidence and prior LNW acceptance.
- Recommend the preferred insurer with supporting documents.
- For each annual renewal or placement, the broker shall obtain at least three quotations from reputable insurers where market conditions permit. The broker must submit a comparative analysis detailing:
 - Premiums.
 - Excess structures.
 - Policy limits.
 - Exclusions.
 - Material endorsements.
- The final insurer selection shall be approved by LNW.

Claims Administration and Recovery Management

- Manage and coordinate all insurance claims.
- Provide claims registration, monitoring and reporting services.
- Facilitate the appointment of loss adjusters and technical specialists.
- Expedite claims settlement and recovery processes.
- Conduct quarterly claims review meetings with LNW.
- Provide claims trend analysis and recommendations.
- Claim registration within 24 hours.
- Monthly claims status reports.
- Escalation procedure for delayed claims.
- Broker performance measurement based on claims turnaround times.

Policy Administration and Financial Management

- Manage policy renewals, endorsements and amendments.
- Process additions and removals of assets.
- Prepare premium allocations and reconciliations.
- Submit premium invoices and adjustments 21 days before premium due dates.
- Process credit notes and policy amendments where required.

Ongoing Broker Support Services

- Provide a dedicated Account Executive and support team.
- Attend scheduled and ad hoc meetings.
- Provide regular insurance portfolio reports.
- Handle day-to-day insurance queries.
- Provide advice on emerging risks and industry developments.
- Negotiate improved insurance cover and reduced premiums where possible.

The following all assets risks must be covered by the Insurance and not limited to the below:

- Motor fleet including roadside assistance
- Third party liability
- Public liability

- Professional indemnity
- Schemes
- Buildings
- Assets (movable and immovable)
- Equipment (electronic equipment)
- Directors & Officers liability
- Pleasure craft
- Sasria non motor
- Sasria motor fleet
- Servicing fee
- Theft/damage
- Accidental damage
- All Stated Benefit cover
- Professional Indemnity Cover
- Business interruption
- Cyber Crime
- Personal Accident- All Staff (only on work hours/ assigned duty responsibilities)
- Loss of data
- Intellectual property
- Damage from Natural Disasters
- Cover for non-LNW assets operated schemes

5. OUTPUT AND OUTCOMES

To render professional service as Insurance Brokers (Financial Service Advisors) for Lepelle Northern Water.

6. PROCUREMENT PROCESS

The normal LNW processes will be followed in line with the SCM policy and procedures and no deviations from the normal processes is anticipated at this stage.

Validity of Tender	: 150 days
Contract Period	: Five years
Date advert published	: 07 October 2026
Tender document available	: 07 October 2026
Compulsory briefing session date	: 20 October 2026 @11h00
	Lepelle Northern Water Head Office
	01 Landros Mare Street
	Polokwane
	0700
Closing date of Advert	: 13 November 2026

N.B The contract is for a period of five (5) years, subject to annual performance evaluations and annual confirmation of budget availability.

7. EVALUATION CRITERIA

Preferential Procurement Policy Framework Act, 2000 and Preferential Procurement Regulations, 2022.

THIS BID WILL BE EVALUATED AND ADJUDICATED ACCORDING TO THE FOLLOWING CRITERIA:

- a) Relevant specifications
- b) Value for money
- c) Capability to execute the contract.
- d) LNW SCM Policy
- e) PPPFA and associated regulations
- f) Tender terms and stages as outlined

8. TENDER EVALUATION METHOD

Tender will be evaluated in terms of the following four stages:

Stage 1: Administrative Compliance

Stage 2: Mandatory Requirements

Stage 3: Functionality: Technical Evaluation

Stage 4: 80/20 preferential points system (Price and Specific Goals).

8.1 STAGE 1. ADMINISTRATIVE COMPLIANCE

MINIMUM DOCUMENTS REQUIRED FOR THIS BID	SUBMITTED (YES /NO)
Completed SBD 1	
Completed SBD 6.1	
Valid SARS Tax PIN	
Company registration documents / CIPC (CK)	
Valid B-BBEE Certificate / Sworn Affidavit	

All the above administrative required documents MUST be submitted with the tender document

8.2 STAGE 2: MANDATORY REQUIREMENTS

DOCUMENTS REQUIRED	SUBMITTED (YES /NO)
Joint Venture (JV) bidders must submit a JV Agreement clearly indicating the lead partner and the percentage split of participation for each partner, totaling 100%. Failure to provide this information may result in disqualification.	
Proof of registration on the Central Suppliers Database (CSD) (verification will be done online).	
Attach proof of Company or Shareholders Municipal Rates not older than three months or Signed lease agreement in the name of the company or a dated stamped letter from tribal authority.	
Valid Professional Indemnity Cover of equal or greater than R 10 million (confirmation from the insurer).	
A bidder must attach its Financial Service Provider License issued by Financial Sector Conduct Authority (FSCA). The license must be active and in good standing at the closing date and duration of the contract. LNW reserves the rights to verify the license status with the FSCA.	
Certified ID copies of the company directors not older than 6 months old.	
Completed SBD 4 and 3.1	

NOTE:

- Failure to comply with any of the above listed requirements or fail to attach the required document(s) the

tenderer/Bidder will not be considered for further evaluation.

- Proof of Professional Indemnity cover must remain valid throughout the contract period and be renewed annually.
- The client reserves the right to verify any information provided by bidder.
- The Service Provider to be appointed must have scored high points in terms of Price and Preference Points and passed screening process.
- The bidders must comply with all terms and conditions including requirements as stipulated in the tender documents, to be evaluated further.
- LNW is not compelled to accept the lowest or any bid

8.3 STAGE 3: EVALUATION ON FUNCTIONALITY CRITERIA

Under quality/functionality, service providers must achieve a minimum of 80 points of quality/functionality points to be considered for further evaluation in stage 4 (Evaluation on Price and Specific Goals).

EVALUATION PROCESS. All bids duly lodged will be evaluated on functionality as qualifying criteria. The evaluation criteria and weighting for measuring functionality are indicated.		Points	
CRITERION			
CAPACITY			
PROPOSED KEY PERSONNEL (40 POINTS)		40	
1. Summary Score Sheet			
No	Evaluation criterion		Points
	Director / Regional Manager – Experience		5
	Director / Regional Manager – Qualifications		5
	Director / Regional Manager – Professional membership		5
	Key Account Manager – Experience		5
	Key Account Manager – Qualifications		5
	Key Account Manager – Professional membership		5

Claims Administrator – Experience	5
Claims Administrator – Qualifications	5
TOTAL	40

2. Detailed Criteria and Requirements

2.1 Director / Regional Manager – Experience (5 Points)

Requirement: The bidder must submit a CV demonstrating the individual's continuous years of relevant insurance industry experience, supported by contactable references.

Relevant experience Points

10 years or more	5
8 to less than 10 years	4
6 to less than 8 years	3
4 to less than 6 years	2
Less than 4 years	1
No relevant	0

2.2 Director / Regional Manager – Qualifications (5 Points)

Requirement: The bidder must submit certified copies of the individual's relevant qualifications or proof of completion.

Qualification Points

NQF Level 7	5
NQF Level 6	3
NQF Level 5	1
No relevant qualification	0

Relevant fields: Insurance, Risk Management, Finance, Commerce or Law.

2.3 Director / Regional Manager – Professional Membership (5 Points)

Requirement: The bidder must submit proof that the individual is a member in good standing of either:

- Institute of Risk Management South Africa (IRMSA); or
- Insurance Institute of South Africa (IISA).

Membership		Points
Proof of membership		5
2.4 Key Account Manager – Experience (5 Points)		
Requirement: The bidder must submit a CV demonstrating the individual's continuous years of relevant insurance industry experience, supported by contactable references.		
Relevant		
experience	Points	
5 years or more	5	
4 to less than 5 years	4	
3 to less than 4 years	3	
2 to less than 3 years	2	
Less than 2 years	1	
No relevant	0	
2.5 Key Account Manager – Qualifications (5 Points)		
Requirement: The bidder must submit certified copies of the individual's relevant qualifications or proof of completion, together with applicable FAIS compliance evidence.		
Qualification	Points	
NQF Level 7 in a relevant field, with FAIS compliance	5	
NQF Level 6 in a relevant field	3	
NQF Level 5 in a relevant field	1	
No relevant qualification	0	
Relevant fields: Insurance, Risk Management, Finance, Commerce or Law.		
2.6 Key Account Manager – Professional Membership (5 Points)		
Requirement: The bidder must submit proof that the individual is a member in good standing of either:		
• Institute of Risk Management South Africa (IRMSA); or • Insurance Institute of South Africa (IISA).		

Membership	Points	
Proof of membership submitted	5	
2.7 Claims Administrator – Experience (5 Points)		
Requirement: The bidder must submit a CV demonstrating the individual's continuous years of relevant insurance claims administration experience, supported by contactable references.		
Relevant experience Points		
5 years or more	5	
4 to less than 5 years	4	
3 to less than 4 years	3	
2 to less than 3 years	2	
Less than 2 years	1	
No relevant	0	
2.8 Claims Administrator – Qualifications (5 Points)		
Requirement: The bidder must submit proof of the individual's qualification.		
Qualification	Points	
NQF Level 4 (Matric)	5	
Below NQF Level 4	0	
3. General Requirements Applicable to All Personnel		
- The bidder must propose three dedicated individuals: a Director / Regional Manager, a Key Account Manager and a Claims Administrator. - Multiple roles are not permitted. Each individual must be assigned to one role only. - Relevant experience must be continuous and supported by a CV and contactable references. - Qualifications must be supported by certified certificates or proof of completion. - Foreign qualifications must be SAQA-accredited, with proof submitted.		

• Foreign nationals must submit certified passport copies and valid work permits. • Professional registrations must be valid and in good standing during tender evaluation. • Any replacement of personnel during the contract must meet the same requirements, be submitted to LNW in writing with a CV and supporting documents and receive LNW's prior approval. • LNW reserves the right to verify all submitted information and documents. • Non-Submission of certified copies of qualifications will results in a zero scoring.																	
Live Demonstration / Presentation (40 points) The bidder must demonstrate that it has an automated electronic claims management system capable of managing and monitoring claims submitted to LNW <table border="0"> <thead> <tr> <th>Demonstration Criteria</th><th>Points</th></tr> </thead> <tbody> <tr> <td>Claims Registration and Tracking Functionality</td><td>10 Points</td></tr> <tr> <td>Automated Reporting and Dashboard</td><td>10 Points</td></tr> <tr> <td>Audit Trail Functionality</td><td>5 Points</td></tr> <tr> <td>Escalation And Notifications</td><td>5 Points</td></tr> <tr> <td>Security And POPIA Controls</td><td>5 Points</td></tr> <tr> <td>User Management and Access Controls</td><td>5 Points</td></tr> <tr> <td>Total</td><td>40 Points</td></tr> </tbody> </table> System Requirements The bidder must demonstrate an automated electronic claims management system capable of managing and monitoring LNW insurance claims. The system must be able to: • Capture and register claims received or reported. • Track claim status and progress, including outstanding and run-off claims. • Generate monthly claims reports and provide automated status updates or notifications. • Allocate claims to the responsible claims administrator. • Record and monitor escalations and follow-up actions.	Demonstration Criteria	Points	Claims Registration and Tracking Functionality	10 Points	Automated Reporting and Dashboard	10 Points	Audit Trail Functionality	5 Points	Escalation And Notifications	5 Points	Security And POPIA Controls	5 Points	User Management and Access Controls	5 Points	Total	40 Points	40
Demonstration Criteria	Points																
Claims Registration and Tracking Functionality	10 Points																
Automated Reporting and Dashboard	10 Points																
Audit Trail Functionality	5 Points																
Escalation And Notifications	5 Points																
Security And POPIA Controls	5 Points																
User Management and Access Controls	5 Points																
Total	40 Points																

• Maintain an audit trail of claims activities. • Protect LNW information and claims records against unauthorised access, loss and misuse through appropriate access controls, user permissions and secure document storage, in line with POPIA and applicable information security requirements. Notes 1. Bidders must provide a live demonstration of the system. 2. A pre-recorded presentation must be submitted on a clearly labelled USB 3. The system requirements are subjected to validation, and any omission will be considered a material misrepresentation.	
COMPANY EXPERIENCE	20
Contactable completed References letter in the Insurance Sector (20 Points) Bidder must provide a signed contactable reference letters for providing a Brokerage services for a client with a minimum assets value of R1 Billion. Points will be awarded, as follows: • 0-1 Reference letters: 0 points • 2-3 Reference letters: 4 points • 4- 5 Reference letters: 8 points • 6-7 Reference Letter: 16 Points • ≥8 Reference letters: 20 points Each reference letter must clearly indicate the minimum of the below: • Reference letter on a client letterhead. • Contact details. • Email address. • Contract value or insured asset value. • Contract commencement and completion dates. • Type of brokerage services rendered. • Signature of an authorized representative. Note: - No points will be awarded if the minimum requirements are not met. - LNW reserves the right to verify all reference letters and may reject unverifiable	

references. - One (1) reference letter equals to 12 months (only a minimum of 12 months contract will be considered) - For multi-year contract, one (1) year will be equivalent to one reference letter, meaning if you have completed two years contract you will be equivalent to two reference letters, 3-year contract will be equivalent to 3 reference letters.	
TOTAL POINTS	100

NB: A bidder should score 80 points on functionality to be evaluated further on Price and Preference

8.4 Stage 4: Evaluation on Price and Specific Goals 80/20

NB: Only the combined Price & Specific Goals points will determine the highest point scoring service providers to be awarded the contract.

Financial offer and specific goals

- 1) Score tender evaluation points for financial offer.
- 2) Confirm that tenderers are eligible for the Specific Goals claimed, and if so, score tender evaluation points for Specific Goals.
- 3) Calculate total tender evaluation points.
- 4) Rank tender offers from the highest number of tender evaluation points to the lowest.
- 5) Recommend tenderer with the highest number of tender evaluation points for the award of the contract, unless there are compelling and justifiable reasons not to do so.

NB: NO BIDDER WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE
(see definition on SBD 4 attached)

Scoring Financial Offers

Score the financial offers of remaining responsive tender offers using the following formula:

Formula	As when required for comparison	
1	Highest price or discount	$(1 + \frac{(P - P_m)}{P_m})$

2	Lowest price or percentage commission/fee	$(1 - \frac{(P - P_m)}{P_m})$
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where:

P_m = the comparative offer of the most favorable tender offer.

P = the comparative offer of tender offer under consideration.

The 80/20 Preferential Point System will be used to evaluate the bid.

Table 2: Preference Points Allocation (As per the Preferential Procurement regulations 2022)

#	Specific Goals	Means of verification	80/20 Points
1	SMME (Small Medium Micro Enterprise)	CSD Report	5
2	Black women (100% Black women ownership in the company)	CSD Report	5
3	Black ownership (100% black ownership in the company)	CSD Report	5
4	Black Youth (Minimum of 1 shareholder Black youth ownership in the company)	CSD Report	5
Total Points			20

The points scored by the tenderer with respect to the level of Preference Points Allocation must be added to the points scored for price.

PRICING SCHEDULE – FIRM PRICES (PURCHASES)

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

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

Name of bidder.....	Bid Number.....
Closing Time 11h00	Closing date.....

OFFER TO BE VALID FOR 150 DAYS FROM THE CLOSING DATE OF BID.

The Service Provider is required to submit a total contract amount for the full provision of short-term insurance brokerage services for Lepelle Northern Water. **NB: Service Provider will be paid after the services have been fully rendered and sign-off by delegated LNW official for this project.**

No	Description of Services	Unit of Measure (UoM)	Price per year (excl. VAT)	Total (excl. VAT)
a)	Insurance Brokerage (Year 1)	Yearly	R	R
b)	Insurance Brokerage (Year 2)	Yearly	R	R
c)	Insurance Brokerage (Year 3)	Yearly	R	R
d)	Insurance Brokerage (Year 4)	Yearly	R	R
e)	Insurance Brokerage (Year 5)	Yearly	R	R
TOTAL PRICE, exclusive of VAT:		R		
VAT 15% (if applicable)		R		
Total Inclusive of VAT (where applicable)		R		

Note: Failure to complete this pricing schedule in full will result in zero points for pricing evaluation and may render the bid non-responsive.

9. CONTRACT CONDITIONS

General Conditions

- The general conditions of contract as stipulated by National Treasury would form part of the contract.
- Annual performance evaluations will determine continuation. Failure to meet agreed service levels may result in termination.
- The service provider must comply with all applicable laws, including the Water Services Act, PFMA, PPPFA, and FSCA regulations.
- The broker must ensure continuous coverage of all LNW assets and risks as listed in the scope
- The broker shall treat all information relating to LNW as confidential and shall comply with the Protection of Personal Information Act, 2013 (POPIA). Any unauthorised disclosure, misuse, or processing of information may result in termination of the contract and the institution of legal proceedings where applicable.
- LNW reserves the right to terminate the contract for non-performance, breach of conditions, or failure to maintain valid FSCA licensing and professional indemnity cover.
- The broker shall maintain valid FSCA authorisation, professional indemnity insurance, fidelity cover (where applicable), and all statutory registrations for the duration of the contract.
- **Responsibilities of LNW**
 - Provide accurate asset registers and risk information.
 - Approve insurer recommendations.
 - Timeously provide claim documentation.
 - Pay premiums when due.
- **Responsibilities of Broker**
 - Conduct risk assessments.
 - Market insurance requirements.
 - Obtain quotations.
 - Recommend insurers.
 - Manage claims administration.

- Provide reports and advice.

- **Responsibilities of Insurer**

- Issue policy documentation.
- Provide insurance cover.
- Assess and settle valid claims.
- Appoint loss adjusters where necessary.
- Meet policy obligations

- **Insurer Non-Performance Arrangements**

Where an insurer fails to perform, delays claim settlement unreasonably, becomes insolvent, or materially breaches policy conditions, the broker must:

- Immediately notify LNW.
- Escalate the matter to the insurer.
- Recommend alternative insurers where required.
- Assist LNW with replacement arrangements.
- Provide written reports on corrective actions.

- **Performance Management Requirements**

KPI	Target
Submission of renewal reports	30 days before expiry
Claims registration	Within 24 hours
Claims progress reports	Monthly
Risk assessment report	Annual
Response to queries	Within 2 working days
Quarterly review meetings	4 per annum

Failure to meet performance standards may result in corrective action, contract review or termination.

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

2. Bidder's declaration

- 2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ in the enterprise, employed by the state? **YES/NO**

- 2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

Full Name	Identity Number	Name of State institution

- 2.2 Do you, or any person connected with the bidder, have a relationship

¹ the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

SBD4

with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....
.....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract? **YES/NO**

2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATION

I, _____ the _____ undersigned,
(name).....in
submitting the accompanying bid, do hereby make the following statements that
I certify to be true and complete in every respect:

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring

² Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

- 3.6 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.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....	
Signature	Date
.....	
Position	Name of bidder

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

- 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 **To be completed by the organ of state**

(delete whichever is not applicable for this tender).

- a) The applicable preference point system for this tender is the **90/10** preference point system.
- b) The applicable preference point system for this tender is the **80/20** preference point system.
- c) Either the **90/10 or 80/20 preference point system** will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

- (a) Price; and
- (b) Specific Goals.

1.4 **To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and SPECIFIC GOALS	100

- 1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

- (a) “**tender**” means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) “**price**” means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) “**rand value**” means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) “**tender for income-generating contracts**” means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) “**the Act**” means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

	80/20	or	90/10
P_{min}	$P_s = 80 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right) \text{ or } P_s = 90 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)$		
	Where		
	P_s	=	Points scored for price of tender under consideration
	P_t	=	Price of tender under consideration
	P_{min}	=	Price of lowest acceptable tender

3.2. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

3.2.1. POINTS AWARDED FOR PRICE

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

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

Where

- P_s = Points scored for price of tender under consideration
 P_t = Price of tender under consideration
 P_{max} = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
 - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
- then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Table 1: Specific goals for the tender and points claimed are indicated per the table below.

(Note to organs of state: Where 80/20 preference point system is applicable, corresponding points must also be indicated as such.

Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
1. Small, Medium Macro Enterprises (SMME)	5	
2. Black women (100% Black women ownership in the company)	5	
3. Black ownership (100% black ownership in the company)	5	
4. Black Youth (Minimum of one shareholder black youth ownership in the company)	5	
Total	20	

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm.....

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
- ☐ One-person business/sole propriety

- ☐ Close corporation
- ☐ Public Company
- ☐ Personal Liability Company
- ☐ (Pty) Limited
- ☐ Non-Profit Company
- ☐ State Owned Company

[TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I 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 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering 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 tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution, if deemed necessary.

..... SIGNATURE(S) OF TENDERER(S)	
SURNAME AND NAME:	
DATE:	
ADDRESS:	

THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT

July 2010

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

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

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

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

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General Conditions of Contract

1. Definitions

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

RSA.

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

obligations of the supplier covered under the contract.

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

2. Application

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

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

5. Use of contract documents and information; inspection.

- 5.1 The supplier shall not, without the purchaser’s prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The supplier shall not, without the purchaser’s prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier’s performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier’s records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

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

7. Performance security

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

8. Inspections, tests and analyses

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

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

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

9. Packing

- 9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
- 9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
 - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
 - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

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

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

14. Spare parts

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

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

15. Warranty

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

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

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

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

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

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

16. Payment

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

17. Prices

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

18. Contract amendments

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

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

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

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

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

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

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

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

may be due to him

25. Force Majeure

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

26. Termination for insolvency

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

27. Settlement of Disputes

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

28. Limitation of liability

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

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

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