+27 12 803 6184
+27 12 803 6848
info@lmt.co.za
www.lmt.co.za
286 Maggs St, Waltloo, 0184, Pretoria, South Africa
Box 1578, Brooklyn Square, Pretoria, 0075, South Africa

**REQUEST FOR PROPOSAL (RFP): RFP NUMBER: RFP 005/2017**

**RFP TITLE: SUPPLY OF FERROUS AND NON FERROUS METALS.**

## REQUEST FOR PROPOSAL

LMT Holdings SOC Ltd (RF) t/a LMT Products Pty Ltd wishes to establish a panel of accredited professional service providers / contractors and accordingly invite suitable qualified and experienced service provider / contractors to apply for evaluation and listing as accredited service providers / contractors for the scope of work as per advertisement.

## INTRODUCTION

LMT Holdings SOC Ltd (RF) is a South African State Owned Company with commercial transactions done through LMT Products (Pty) Ltd (LMT).

LMT offers technologically mature protected mobility products to local and international clients in the Defence and Security Industry. The full value chain is covered, from R&D, design and development, manufacturing and production, integrated logistical support, life cycle management and training. The product portfolio consists of armored cabs and armored containers to 4×4 armored vehicles providing very high levels of ballistic, landmine and IED protection whilst still retaining exceptional on- and- off-road mobility. Products currently in service are the LM5, LM8 and LM13 armored vehicles, with the LM14 MRAP vehicle currently in development.

| YOU ARE HEREBY INVITED TO SUBMIT A BID TO MEET THE REQUIREMENTS OF LMT PRODUCTS | |
|---|---|
| **BID NUMBER:** | 005 / 2017 |
| **CLOSING DATE:** | 15th August 2017 |
| **CLOSING TIME:** | 15 H 00 precisely |
| **CLOSING DATE FOR TENDER ENQUIRIES** | **27th July 2017 at 15H00**<br>all enquiries must be directed to Tender@lmt.co.za<br>All responses to questions will be published on the eTender portal; bidders are responsible to obtain responses via eTender. LMT Products will not be responsible for delayed or responses that are not viewed on eTender<br>http://www.etenders.gov.za/ |
| **PERIOD FOR WHICH BIDS ARE REQUIRED TO REMAIN OPEN FOR ACCEPTANCE:** | **180 days** (submissions must be valid for 180 days after the closing date) |
| **DESCRIPTION OF BID:** | SUPPLY AND DELIVER OF FERROUS AND NON FERROUS MATERIALS TO LMT PRODUCTS. |
| **BID DOCUMENTATION FORMAT:** | **FILE 1:**<br>• PART A Completed (Invitation to bid)<br>• PART B Checklist of Compulsory Returnable Schedules and supporting documents.<br>• Mandatory Questionnaire complete. (Section 22.1)<br>• Qualification Review Criteria (Section 15.2)<br>**FILE 2:**<br>• Functional Specification criteria<br>• Preferential Procurement details and costing |
| **BID DOCUMENTS DELIVERY ADDRESS:** | LMT Products<br>286 Maggs St,<br>Waltloo,<br>Pretoria,<br>South Africa, 0184<br>For Attention: **LMT Procurement Office**<br>**NB: Bidders must ensure that they sign the register at LMT Reception when submitting the Bids.** |
| **NOTE: All bid documents must have the following information on all documents** | |

| | |
|---|---|
| **NAME OF BIDDER:** | |
| **CONTACT PERSON &TELEPHONE NUMBER:** | |
| **EMAIL ADDRESS:** | |
| **BIDDER'S STAMP OR SIGNATURE** | |

**TABLE OF CONTENTS**


| | | |
|---|---|---|
| Part A: | – Invitation to Bid | 5 |
| Part B: | – Checklist of Compulsory Returnable Schedules and Documents | 7 |
| Part C: | – Specifications, Conditions of tender and Undertakings by Bidder | 10 |
| Part D: | – Statement of Work | 37 |

Annexure A – SBD 1 Invitation to bid

Annexure B – SBD 2 - Tax Clearance Certificate Requirement

Annexure C – SBD 3.1 – Pricing Schedule Firm Price (Purchases)

Annexure D – SBD 3.2 – Pricing Schedule Non-Firm Price (Purchases)

Annexure E – SBD 3.3 – Pricing Schedule Professional Services

Annexure F – Declaration of Interest

Annexure G – SBD 6.1 Preference Points Form in terms of Preferential Procurement regulation 2011

Annexure H – SBD 7.2 Contact form Rendering of service

Annexure I – SBD 8 Declaration of Bidder's Past Supply Chain Management Practices

Annexure J – SBD 9 Certificate of Independent Bid Determination

Annexure K – LMT 1 Company Registration Review

Annexure L – Denel SOC Ltd Standard terms and Conditions for Procurement
**NOTE:** (All pages to be initialled in the bottom right hand corner)

Annexure M – Terms of Reference

Annexure N – Valid BBBEE original certified copy

Annexure O – Central Supplier Database Registration Certificate

Annexure P – Certified copies of your CIPC company registration documents listing all members with percentages, in case of a close corporation

Annexure Q – Certified copies of latest share certificates, in case of a company..

Annexure R – Ferrous Material Specification

Annexure S – Non Ferrous Material Specification

**PART A: INVITATION TO BID**

**YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF LMT PRODUCTS (PTY) Lyd**

BID NUMBER: 005 / 2017
CLOSING DATE: 10th August 2017
CLOSING TIME: 15h00

**DESCRIPTION:**

REQUEST FOR PROPOSALS (RFP) TO SUPPLY FERROUS AND NON FERROUS MATERIALS TO LMT PRODUCTS.

**The successful Bidder will be required to conclude a service level agreement with LMT PRODUCTS (PTY) Ltd**

**Bidders should ensure that Bids are delivered timeously and to the correct address (reflected on the cover page of this document). If the Bid is late, it will not be considered for evaluation.**

**The Bid box / LMT Reception is open during office hours (08:00 – 15:00) Monday to Thursday.**

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

THIS BID IS SUBJECT TO THE DENEL GROUP PROCUREMENT TERMS AND CONDITIONS AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.

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

BIDDERS THAT ARE INCORPORATED CONSORTIA CONSISTING OF MORE THAN ONE LEGAL ENTITY MUST SELECT A LEAD ENTITY AND FURNISH THE DETAILS OF THE LEAD ENTITY, UNLESS OTHERWISE SPECIFIED.

| | |
|---|---|
| **NAME OF BIDDER AND EACH ENTITY IN CONSORTIUM:** | |
| **POSTAL ADDRESS:** | |
| **STREET ADDRESS:** | |
| **CONTACT PERSON (FULL NAME):** | |
| **EMAIL ADDRESS:** | |
| **TELEPHONE NUMBER:** | |

| | | | | |
|---|---|---|---|---|
| **FAX NUMBER:** | | | | |
| **BIDDER REGISTRATION NUMBER OR REGISTRATION NUMBER OF EACH ENTITY IN CONSORTIUM** | | | | |
| **BIDDER VAT REGISTRATION NUMBER OR VAT REGISTRATION NUMBER OF EACH ENTITY IN CONSORTIUM** | | | | |
| **TAX CLEARANCE CERTIFICATE SUBMITTED?** | **YES** | | **NO** | |
| **B-BBEE CERTIFICATE SUBMITTED?** | **YES** | | **NO** | |
| **REGISTERED WITH THE NATIONAL TREASURY CENTRAL SUPPLIER DATABASE (CSD)** | **YES** | | **NO** | |
| **FULL NAME OF AUTHORISED REPRESENTATIVE:** | | | | |
| **CAPACITY IN WHICH AUTHORISED REPRESENTATIVE SIGNS:** | | | | |
| **SIGNATURE OF AUTHORISED REPRESENTATIVE:** | | | | |
| **DATE OF SIGNATURE** | | | | |

**PART B: CHECKLIST OF COMPULSORY RETURNABLE SCHEDULES AND DOCUMENTS**

## Please adhere to the following instructions

- Tick in the relevant block below
- Ensure that the following documents are completed and signed where applicable:
- Use the prescribed sequence in attaching the annexes that complete the Bid Document

**NB:** Should all of these documents not be included, the Bidder may be **disqualified** on the basis of non-compliance

| YES | NO | | |
|---|---|---|---|
| ☐ | ☐ | One original Bid (1) (hard copy) with three (3) copies (hard copies) - (clearly marked as original and copies) ; Each submission must be divided and enclosed into two separate section / Files, one (1) for **Qualifying Criteria** and one **(1)** Functional Evaluation, and Price and Preferential Points. | |
| ☐ | ☐ | **Part A:** | Invitation to Bid |
| ☐ | ☐ | **Part C:** | Specifications, Conditions of tender and Undertakings by Bidder |
| ☐ | ☐ | **Annexure A:** | SBD 1 Invitation to bid |
| ☐ | ☐ | **Annexure B:** | SBD 2 - Tax Clearance Certificate Requirement |
| ☐ | ☐ | **Annexure C:** | SBD 3.1 – Pricing Schedule Firm Price (Purchases) |
| ☐ | ☐ | **Annexure D:** | SBD 3.2 – Pricing Schedule Non-Firm Price (Purchases) |
| ☐ | ☐ | **Annexure E:** | SBD 3.3 – Pricing Schedule Professional Services |
| ☐ | ☐ | **Annexure F:** | Declaration of Interest |
| ☐ | ☐ | **Annexure G:** | Preference Points Form in terms of Preferential Procurement regulation 2011 |
| ☐ | ☐ | **Annexure H:** | SBD 7.2 Contact form Rendering of service |
| ☐ | ☐ | **Annexure I:** | SBD 8 Declaration of Bidder's Past Supply Chain Management Practices |
| ☐ | ☐ | **Annexure J:** | SBD 9 Certificate of Independent Bid Determination |
| ☐ | ☐ | **Annexure K:** | LMT 1 Company Registration Review |
| ☐ | ☐ | **Annexure L:** | Denel SOC Ltd Standard terms and Conditions for Procurement **NOTE:** (All pages to be initialled in the bottom right hand corner) |
| ☐ | ☐ | **Annexure M:** | Terms of reference |

| | | |
|---|---|---|
| ☐ | ☐ | **Annexure N:** SBD 6.1 Valid BBBEE original certified copy |
| ☐ | ☐ | **Annexure O:** Central Supplier Database Registration Certificate. |
| ☐ | ☐ | **Annexure P:** Certified copies of your CIPC company registration documents listing all members with percentages, in case of a close corporation |
| ☐ | ☐ | **Annexure Q:** Certified copies of latest share certificates, in case of a company. |

## BID TIMETABLE

This timetable is provided as an indication of the timing of the tender process. It is indicative only and subject to change by LMT Products. Bidders are to provide proposals that will allow achievement of the intended commencement date.

| Activity | Date |
|---|---|
| Advertisement of tender | 14th July 2017 |
| RFP document available | 14th July 2017 |
| Closing date for Tender Enquiries | 27th July 2017 at 15H00<br>All enquiries must be directed to tender @lmtproducts.co.za<br>All responses to questions will be published on the eTender portal; bidders are responsible to obtain responses via eTender. Denel will not be responsible for responses that are not viewed on eTender http://www.etenders.gov.za/ |
| **Closing time** | at 15H00 precisely |
| Intended completion of evaluation of tenders | 26th August 2017 |
| Intended formal notification of successful Bidder(s) | 29th August 2017 |
| Signing of Service Level Agreement | 31st August 2017 |
| Effective date | 1st September 2017 |

## PART C: SPECIFICATIONS, CONDITIONS OF TENDER AND UNDERTAKINGS BY BIDDER

### 1. SUBMISSION OF TENDERS

1.1 Hardcopies of Tenders are to be submitted to:

| | |
|---|---|
| Physical Address of Tender Box | LMT Products<br>286 Maggs Street<br>Waltloo<br>Pretoria |
| Hours of access to Tender Box | Monday to Thursday: 09h00 to 15h00 |
| Information to be marked on package containing Tender | RFP Ref. No. 500/2017<br>Name of Bidder:<br>For Attention: Tender Office<br>**2 File System**<br>Indicate whether envelope pertains to<br>1. Qualifying Review Criteria.<br>2. Functional assessment"; and "price and preference points" |

1.2 Each submission must be divided and enclosed into two (2) separate files / envelopes, one (1) for Qualifying Review and one for Functional Evaluation and Price and Preferential Points.

1.3 Bidders are requested to initial each page of the tender document on the boom right hand corner.

1.4 If the Bidders are submitting more than one (1) proposal with regard to the functions explained in the cover page and Part D of this RFP, then these should be submitted as separate submissions and indicated on the cover page of the Bid.

1.5 **Note:** This Tendering Process will use a two envelope system i.e. Bidders must submit the Qualifying Review Evaluation and one for Functional proposal (together with relevant copies) pricing and preference points proposals.(together with the relevant copies). BOTH FILES MUST BE CLEARLY MARKED.

### 2. RULES GOVERNING THIS RFP AND THE TENDERING PROCESS

2.1 Participation in the tender process is subject to compliance with the rules contained in this RFP Part C.

2.2 All persons (whether or not a participant in this tender process) having obtained or received this RFP may only use it, and the information contained herein, in compliance with the rules contained in this RFP.

2.3 All Bidders are deemed to accept the rules contained in this RFP Part C.

2.4 The rules contained in this RFP Part C apply to:

2.4.1 The RFP and any other information given, received or made available in connection with this RFP, and any revisions or annexure;

2.4.2 the Tendering Process; and

2.4.3 Any communications (including any briefings, presentations, meetings and negotiations) relating to the RFP or the Tendering Process.

## 3. IMPORTANT PROPOSAL:

Black listed companies appearing on the National Treasury database and prohibited from conducting business with public entities, shall not be considered.

For verification, LMT Products reserves the right to conduct site visits and interview company officials as part of the request of interest if required.

LMT Products reserves the right to include any service provider / contractor on its preferred list.

The interested party accepts LMT Products Pty Ltd standards in terms of quality assurance and specification.

LMT Products Pty Ltd may request the interested party to put forward a presentation to its representative(s) in support of this proposal. The interested party will be informed to this effect.

## 4. CONFIDENTIALITY

All persons (including all Bidders) obtaining or receiving this RFP and any other information in connection with this RFP or the Tendering Process must keep the contents of the RFP and other such information confidential, and not disclose or use the information except as required for the purpose of developing a proposal in response to this RFP.

## 5. UNAUTHORIZED COMMUNICATIONS

5.1 Communications (including promotional or advertising activities) with staff of LMT Products (PTY) Ltd or their advisors assisting with the Tendering Process are not permitted during the Tendering Process, or otherwise with the prior consent of the Tender Office. Nothing in this clause 5 is intended to prevent communications with staff of, or advisors to, LMT Products (PTY) Ltd to the extent that such communications do not relate to this RFP or the Tendering Process.

5.2 Bidders must not otherwise engage in any activities that may be perceived as, or that may have the effect of, influencing the outcomes of the Tendering Process in any way.

## 6. IMPROPER ASSISTANCE, FRAUD AND CORRUPTION

6.1 Bidders may not seek or obtain the assistance of employees of LMT Products (PTY) Ltd in the preparation of their tender responses.

6.2 LMT Products (PTY) Ltd may in its absolute discretion, immediately disqualify a Bidder that it believes has sought or obtained such improper assistance.

6.3 Bidders are to be familiar with the implications of contravening the Prevention and Combating of Corrupt Activities Act, 2004 and any other relevant legislation.

## 7. ANTI-COMPETITIVE CONDUCT

7.1 Bidders and their respective officers, employees, agents and advisors must not engage in any collusion, anti-competitive conduct or any other similar conduct in respect of this Tendering Process with any other Bidder or any other person(s) in relation to:

7.1.1 the preparation or lodgment of their Bid

7.1.2 the evaluation and clarification of their Bid; and

7.1.3 The conduct of negotiations with LMT Products (PTY) Ltd.

7.2 For the purposes of this clause 7, collusion, anti-competitive conduct or any other similar conduct may include disclosure, exchange and clarification of information whether or not such information is confidential to LMT Products (PTY) Ltd or any other Bidder or any other person or organisation.

7.3 In addition to any other remedies available to it under law or contract, LMT Products (PTY) Ltd may, in its absolute discretion, immediately disqualify a Bidder that it believes has engaged in any collusive, anti-competitive conduct or any other similar conduct during or before the Tendering Process.

## 8. CONFLICT OF INTEREST

8.1 A Bidder must not, and must ensure that its officers, employees, agents and advisors do not place themselves in a position that may give rise to actual, potential or perceived conflict of interest between the interests of LMT Products (PTY) Ltd and the Bidder's interests during the Tender Process.

8.2 The Bidder is required to provide details of any interests, relationships or clients which may or do give rise to a conflict of interest in relation to the supply of the services under any contract that may result from this RFP. If the Bidder submits its Bid and a subsequent

conflict of interest arises, or is likely to arise, which was not disclosed in the Bid, the Bidder must notify LMT Products (PTY) Ltd immediately in writing of that conflict.

8.3 LMT Products (PTY) Ltd may immediately disqualify a Bidder from the Tendering Process if the Bidder fails to notify LMT Products (PTY) Ltd of the conflict as required.

## 9. LATE BIDS

9.1 Bids must be delivered by the Closing Time. The Closing Time may be extended by LMT Products (PTY) Ltd in its absolute discretion by providing written notice to Bidders.

9.2 Bids delivered after the Closing Time or lodged at a location or in a manner that is contrary to that specified in this RFP will be disqualified from the Tendering Process and will be ineligible for consideration.

9.3 The determination of LMT Products (PTY) Ltd as to the actual time that a Bid is lodged is final. Subject to clause 9.2, all Bids lodged after the Closing Time will be recorded by LMT Products (PTY) Ltd and will only be opened for the purposes of identifying a business name and address of the Bidder.

## 10. BIDDER'S RESPONSIBILITIES

10.1 Bidders are responsible for:

10.1.1 examining this RFP and any documents referenced or attached to this RFP and any other information made or to be made available by LMT Products (PTY) Ltd to Bidders in connection with this RFP;

10.1.2 fully informing themselves in relation to all matters arising from this RFP, including all matters regarding LMT Products (PTY) Ltd 's requirements for the provision of the Services;

10.1.3 ensuring that their Bids are accurate and complete;

10.1.4 making their own enquiries and assessing all risks regarding this RFP, and fully considering and incorporating the impact of any known and unknown risks into their Bid;

10.1.5 ensuring that they comply with all applicable laws in regards to the Tendering Process particularly as specified by National Treasury Regulations, Guidelines, Instruction Notes and Practice Notes and other relevant legislation as published from time to time in the Government Gazette; and

10.1.6 Submitting all Compulsory Documents.

10.2 Bidders with annual total revenue of R10 million or less qualify as Exempted Micro Enterprises (EMEs) in terms of the B-BBEE Act must submit a certificate issued by a

registered, independent auditor (who or which is not the Bidder or a part of the Bidder) or an accredited verification agency, the applicable Affidavits (certified) will be accepted, should the bidder be claiming preference points.

10.3 Bidders other than Exempted Micro-Enterprises (EMEs) must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE status. The submission of such certificates must comply with the requirements of instructions and guidelines issued by National Treasury and are in accordance with the applicable notices published by the Department of Trade and Industry in the Government Gazette.

10.4 LMT Products (PTY) Ltd 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 LMT Products (PTY) Ltd.

10.5 Failure to provide the required information may result in disqualification of the Bidder.

## 11. PREPARATION OF BIDS

11.1 **Bidders must ensure that:**

11.1.1 their Bid is submitted in the required format as stipulated in this RFP; and

11.1.2 All the required information fields in the Bid are completed in full and contain the information requested by LMT Products (PTY) Ltd.

11.2 LMT Products (PTY) Ltd may in its absolute discretion reject a Bid that does not include the information requested or is not in the format required.

11.3 Unnecessarily elaborate responses or other representations beyond that which is sufficient to present a complete and effective tender proposal are not desired or required. Elaborate and expensive visual and other presentation aids are not necessary.

11.4 Where the Bidder is unwilling to accept a specified condition, the non-acceptance must be clearly and expressly stated. Prominence must be given to the statement detailing the non-acceptance. It is not sufficient that the statement appears only as part of an attachment to the Bid, or be included in a general statement of the Bidders usual operating conditions.

11.5 An incomplete Bid may be disqualified or assessed solely on the information completed or received with the Bid.

## 12. ILLEGIBLE CONTENT, ALTERATION AND ERASURES

12.1 Incomplete Bids may be disqualified or evaluated solely on information contained in the Bid.

12.2 LMT Products (PTY) Ltd may disregard any content in a Tender that is illegible and will be under no obligation whatsoever to seek clarification from the Bidder.

## 13. RESPONSIBILITY FOR BIDDING COSTS

13.1 The Bidders participation or involvement in any stage of the Tendering Process is at the Bidders sole risk, cost and expense. LMT Products (PTY) Ltd will not be held responsible for, or pay for, any expense or loss that may be incurred by Bidders in relation to the preparation or lodgement of their Bid.

13.2 LMT Products (PTY) Ltd is not liable to the Bidder for any costs on the basis of any contractual, promissory or restitutionary grounds whatsoever as a consequence of any matter relating to the Bidders participation in the Tendering Process, including without limitation, instances where:

13.2.1 the Bidder is not engaged to perform under any contract; or

13.2.2 LMT Products (PTY) Ltd exercises any right under this RFP or at law.

## 14. DISCLOSURE OF BID CONTENTS AND BID INFORMATION

14.1 All Bids received by LMT Products (PTY) Ltd will be treated as confidential. LMT Products (PTY) Ltd will not disclose contents of any Bid and Bid information, except:

14.1.1 as required by law;

14.1.2 for the purpose of investigations by other government authorities having relevant jurisdiction;

14.1.3 To external consultants and advisors of LMT Products (PTY) Ltd engaged to assist with the Tendering Process; or for the general information of Bidders required to be disclosed as per National Treasury Regulations, Guidelines, Instruction Notes or Practice Notes.

## 15. USE OF BIDS

15.1 Upon submission in accordance with the requirements relating to the submission of Bids, all Bids submitted become the property of LMT Products (PTY) Ltd. Bidders will retain all ownership rights in any intellectual property contained in the Bids.

15.2 Each Bidder, by submission of their Bid, is deemed to have licensed LMT Products (PTY) Ltd to reproduce the whole, or any portion, of their Bid for the sole purposes of enabling LMT Products (PTY) Ltd to evaluate the Bid.

## 16. BID ACCEPTANCE

All Bids received must remain open for acceptance for a minimum period of 180 (One Hundred and Eighty) days from the Closing Time. This period may be extended by written mutual agreement between LMT Products (PTY) Ltd and the Bidders.

## 17. LMT PRODUCTS / DENEL'S PROCUREMENT PHILOSOPHY

It is the policy of Denel SOC Ltd, when purchasing products, services and works, to follow a course of optimum value and efficiency by adopting best purchasing practices in Supply Chain Management, ensuring where possible that open and fair competition has prevailed, with due regard being had to the importance of:

14.1 The PFMA and the PPPFA;

14.2 The promotion, development and support of businesses from:

- Exempted Micro Enterprises and Qualifying Small Enterprises
- Companies that are at least 51% Black Owned
- Companies that are at least 30% Black Woman Owned
- Companies that are at least 51% Black Youth Owned
- Companies that are at least 30% Black People Living with Disabilities Owned
- Companies that are Military Veteran Owned
- Companies that are owned and managed by people living in Rural Areas

**Please note that:**

- Any bidding company that does not meet the transformation requirements as stated above; will be required to submit a transformation plan, indicating how they plan to meet Denel's transformation requirements.
- Denel encourages its suppliers to constantly strive to improve their B-BBEE rating. Whereas tenderers will be allocated points in terms of the preference point system of the PPPFA based on its B-BBEE scorecard (both at panel tender stage and subsequently at the task order stage), in addition to such scoring, at this stage tenderers will be required to submit B-BBEE improvement plans detailing how the tenderer intends improving their B-BBEE or Transformation status during the course of the contract should the order be placed on their company.
- The impact of the amended codes of good practice on the B-BBEE scorecard needs to be indicated at time of tender as well as how the organisation plans to overcome any challenges or obstacles on the B-BBEE improvement plan for each year of the contract.

  This will be measured in accordance with the requirement of annual verifications done and B-BBEE certificates to be

provided (though it must be noted that all suppliers are required to inform LMT Products of any change in their Transformation/B-BBEE status whereby failure to do so might result in termination of contract).

The plans should not only cover issues of ownership, but must extend to other elements such as Skills Development, Job Creation, Employment Equity, Supplier Development, etc.

## 18. EVALUATION PROCESS

**PRE-QUALIFICATION CRITERIA FOR PREFERENTIAL PROCUREMENT:**

LMT Products will apply pre-qualifying criteria to advance transformation as per the Government Gazette Regulation No 10684 of 20 January 2017.

A tenderer with one or more of the following requirements may respond.

A tenderer must have a BBBEE status level.

An EME or QSE

- which is at least 51 % owned by black people;
- which is at least 51 % owned by black people who are youth;
- which is at least 51 % owned by black people who are black women;
- which is at least 51 % owned by black people who with disabilities;
- which is at least 51 % owned by black people living in rural or underdeveloped areas or townships;
- which is at least 51 % owned by black people who are military veterans;
- which is at least 51 % owned by black people who are military veterans;

A Generic tenderer subcontracting a minimum of 30 % to –

- an EME or QSE which is at least 51 % owned by black people;
- an EME or QSE which is at least 51 % owned by black people who are youth;
- an EME or QSE which is at least 51 % owned by black people who are black women;
- an EME or QSE which is at least 51 % owned by black people who with disabilities;
- an EME or QSE which is at least 51 % owned by black people living in rural or underdeveloped areas or townships;
- a corporate which is at least 51% owned by black people;
- an EME or QSE which is at least 51 % owned by black people who are military veterans;
- an EME or QSE

NOTE: A tender that fails to meet any pre-qualifying criteria stipulated above will not be accepted.

18.1 The Bids will be evaluated and adjudicated as follows:

18.1.1 **Pre - Qualification – evaluation of compliance with Qualifying Review Criteria**

Only those Bidders which satisfy all of the Qualifying Review Criteria will be eligible to participate in the subsequent stages of the tender process. Bids which do not satisfy all of the Qualifying Review Criteria will not be evaluated further.

Each offer must conform to these conditions to be eligible for further evaluation. An offer that fails to meet these conditions shall be disqualified Mandatory conditions include such items as required in section 22

18.1.2 **First stage – functional evaluation**

Bidders are evaluated based on the functional criteria set out in this RFP.
Only those Bidders who score a minimum of 60% out of 100% (numerical score of 3 points out of 5 points) during the functional evaluation will be evaluated during the second stage of the Bid.

18.1.3 **Second stage – price and preferential points**

18.1.3.1 Those Bidders which have passed the Pre-qualification and Functionality stages of the tender Process will be scored on the basis of price and preference point allocation in accordance with the applicable legislation.

**Please note that:**

- Any bidding company that does not have meet the Denel transformation requirements will be required to submit their Transformation Plan which will be subject to Denel's approval.

18.2 **Qualification: Qualifying Review Criteria**

18.2.1 The following Qualifying Criteria will be applied in the initial stage of the evaluation. Bidders who do not meet all of the Qualifying Criteria will not be considered for award of the tender.

18.2.2 Bidders are required to complete the table below by indicating whether they comply with the requirement by marking the appropriate column with an 'X' below.
Bidders are required to submit supporting documentation to attest to the level of compliance with qualifying criteria

| Requirement | Compliant | Not compliant |
|---|---|---|
| **Registration or Certification** | | |
| 1. Bidder is a South African, Owned and registered service provider.<br>2. The Bidder must have the necessary infrastructure and capacity in the proximity of the LMT Products (PTY) Ltd.<br>3. Valid Tax Clearance Certificate or an access pin to SARS e Filing<br>4. Valid BEE Certificate (if claiming preference points)<br>5. Central Supplier database proof of registration (provide documentation)<br>6. Company Registration with CIPC – submit proof thereof<br>7. Current Banking Details, Cancelled Cheque or Original letter from the Bank issued on a bank letterhead with stamp.<br>8. Certified copies of all share holder certificates<br>9. Copy of the organisation's share holder agreement if applicable<br><br>This requirement will also apply to all members of consortia or joint ventures which submit joint Bids.<br><br>**Note: Failure to meet the above requirements will result in automatic disqualification** | **YES** | **NO** |

| Experience of the Bidder | | |
|---|---|---|
| | **YES** | **NO** |
| 1. Detailed company profile detailing expertise and capabilities, and clearly highlights your company's experience in providing Materials as per this RFP<br><br>2. Document detailing track record in providing such/similar services in line with LMT Products or similar requirement.<br><br>3. Detailed company organogram, clearly depicting all levels of management<br><br>4. A minimum of three (3) reference letters from respective customers on their letterheads were services were provided by your company,<br><br>**The letters should include:**<br><br>☐ A contact person, title and contact numbers.<br>☐ Must not be more than Two (2) years old.<br><br>This requirement also applies to all members of consortia or joint ventures which submit joint Bids | | |

| Compliance of the Bidder | | |
|---|---|---|
| | **YES** | **NO** |
| 1. Financial statements for the past Three (3) years | | |
| 2. Bidder has submitted all returnable documentation to LMT Products (PTY) Ltd (Annexures and SBD's) | | |
| 3. Documents are duly authorised | | |
| 4. Correct adherence to the two envelop process has been fully complied with | | |
| 5. Bidder must present a list of all possible sub-contractors (first tier service providers) | | |

18.3 **First Stage: Functional Criteria**

18.3.1 Only those Bidders which score a minimum of 60% out of 100% (numerical score of 3 points out of 5 points) or higher during the functional evaluation will be evaluated during the second stage of the Bid. Bidders are required to submit supporting documentation to attest to their level of compliance with each requirement.

18.3.2 The Functional Criteria that will be used to test the capability of Bidders are as follows:

| | | |
|---|---|---|
| **Bidder Track Record and Experience** | | |
| 50% | Experience in providing service to corporate companies for at least 3 years or more,<br>With contactable references, stipulating the level/number of returns, defect's, poor quality as well as turnaround time.<br><br>(a) Supply of materials (3 years)<br>(b) Supply of materials (2 years)<br>(c) Supply of materials (0 years) | Legend for adjudication<br><br>Fully compliant = 5 points<br>Partially compliant = 3 points<br>Non - Compliant = 0 points<br><br>**Bidders must provide the relevant supporting documentation** |
| **Compliance of Bidder** | | |
| 50% | Adherence to specification and quality as well as a detailed focus on Customer Satisfaction<br><br>- Full completion of the Pricing Schedule as indicated by Annexure A of this RFP<br>- Proof of Accreditation from Industry in line with LMT Products Requirements i.e. SABS and ISO Standards,<br>- Proof of a process or policy to handle defects, returns and dissatisfaction when displayed by clients, Estimated time to replace returns made, (Escalation of Concern's with delivery, performance and quality of the product) | Legend for adjudication<br><br>Fully compliant = 5 points<br>Partially compliant = 3 points<br>Non - Compliant = 0 points<br><br>**Bidders must provide the relevant supporting documentation** |

18.3.3 Bidders who score, a minimum of 60% out of a possible 100% (numerical score of 3 points out of 5 points) for the functional evaluation will qualify to move on to the second stage of evaluation, which is price and preferential point's evaluation.

Bidders who do not obtain a minimum of 60% out of the 100% (numerical score of 3 points out of 5 points) of the evaluation will not be evaluated during the second stage of the evaluation.

18.4 **Second Stage: Price and Preferential Points Assessment**

18.4.1 Subsequent to the evaluation of Qualifying Criteria and functional criteria, the second stage of evaluation of the Bids will be in respect of price and preferential procurement only. Points will be allocated to Bidders at this stage of the evaluation in accordance with the Preferential Procurement Policy Framework Act 5, 2000 and the relevant Regulations, as follows:

| | |
|---|---|
| Price points | 80 |
| Preferential procurement points | 20 |

18.4.2 **Price points**

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

$$Ps = 80(1-(Pt-Pmin)/Pmin)$$

Where:

Ps = Points scored for comparative price of tender or offer under consideration;
Pt = Comparative price of tender or offer under consideration; and
Pmin = Comparative price of lowest acceptable tender or offer.

18.4.3 **Preferential procurement points**

A maximum of 20 points may be awarded in respect of preferential procurement, which points must be awarded to a tenderer for attaining their B-BBEE Status Level in accordance with the table below:

| B-BBEE Status Level | Number of Points |
|---|---|
| 1 | 10 |
| 2 | 9 |
| 3 | 8 |
| 4 | 5 |
| 5 | 4 |
| 6 | 3 |
| 7 | 2 |
| 8 | 1 |
| Non-compliant contributor | 0 |

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

18.4.4 **Total**

The total points scored by each Bidder will be calculated by adding the points scored for price (out of 80) to the points scored for preferential procurement (out of 20) as well as Functionality.

The successful Bidder will be the Bidder which scores the highest number of points unless there is a basis for selecting a different Bidder in accordance with section 2(1) (f) of the PPPFA,

LMT Products (PTY) Ltd reserves the right not to award the contract to the bidder scoring the highest points, on pricing alone.

## 19. SUCCESSFUL BIDS

19.1 Selection as a successful Bidder does not give rise to a contract (express or implied) between the successful Bidder and LMT Products (PTY) Ltd for the supply of the Services. No legal relationship will exist between LMT Products (PTY) Ltd and a successful Bidder for the supply of the Services until such time as a binding contract is executed by them.

19.2 LMT Products (PTY) Ltd may, in its absolute discretion, decide not to enter into pre-contractual negotiations with a successful Bidder.

19.3 A Bidder is bound by its Bid and all other documents forming part of the Bidder's Response and, if selected as a successful Bidder, must enter into a contract on the basis of the Bid with or without further negotiation.

## 20. NO OBLIGATION TO ENTER INTO CONTRACT

20.1 LMT Products (PTY) Ltd is under no obligation to appoint a successful Bidder or Bidders (as the case may be), or to enter into a contract with a successful Bidder or any other person, if it is unable to identify a Bid that complies in all relevant respects with the requirements of LMT Products (PTY) Ltd, or if due to changed circumstances, there is no longer a need for the Services requested, or if funds are no longer available to cover the total envisaged expenditure. For the avoidance of any doubt, in these circumstances LMT Products (PTY) Ltd will be free to proceed via any alternative process.

20.2 LMT Products (PTY) Ltd may conduct a debriefing session for all Bidders (successful and unsuccessful). Attendance at such debriefing session is optional.

## 21. LMT PRODUCTS (PTY) LTD 'S RIGHTS

21.1 Notwithstanding anything else in this RFP, and without limiting its rights at law or otherwise, LMT Products (PTY) Ltd reserves the right, in its absolute discretion at any time, to:

21.1.1 cease to proceed with, or suspend the Tendering Process prior to the execution of a formal written contract;

21.1.2 alter the structure and/or the timing of this RFP or the Tendering Process;

21.1.3 vary or extend any time or date specified in this RFP

21.1.4 terminate the participation of any Bidder or any other person in the Tendering Process;

21.1.5 require additional information or clarification from any Bidder or any other person;

21.1.6 provide additional information or clarification;

21.1.7 negotiate with any one or more Bidder;

21.1.8 call for new Bid;

21.1.9 reject any Bid received after the Closing Time; or

21.1.10 reject any Bid that does not comply with the requirements of this RFP.

## 22. GOVERNING LAWS

22.1 This RFP and the Tendering Process are governed by the laws of the Republic of South Africa.

22.2 Each Bidder must comply with all relevant laws in preparing and lodging its Bid and in taking part in the Tendering Process.

22.3 All Bids must be completed using the English language and all costing must be in South African Rand.

## 23. CONSORTIUMS, JOINT VENTURES AND SUB-CONTRACTING REGULATIONS

A tenderer will not be awarded points for BBBEE status if it is indicated in the tender documents that such a tenderer intends sub-contracting more than 25 % of its value of the contract to any other enterprise that does not qualify for at least the points the tenderer qualifies for, unless the intended sub-contractor is an exempted micro enterprise that has the capacity and ability to execute the sub-contract.

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

## 24. DECLARATION OF SUBCONTRACTING

Will any portion of the contract be subcontracted? **Yes / No.**

If **Yes** indicate:

- What percentage (%) of the contract will be subcontracted?

- The name and details of the sub-contractor.
- The BBBEE status of the subcontractor.
- Whether the sub-contractor is an EME

NOTE: A separate signed declaration must be sent through with the RFP.

| ..... | ..... | ..... |
|---|---|---|
| Signature of Declarant | RFP Number | Date |

| ..... | ..... |
|---|---|
| Position of Declarant | Name of Company |

## 25. MANDATORY QUESTIONS

25.1 Bidders shall provide full and accurate answers to all (including mandatory) questions posed in this document, and, are required to explicitly state "Comply/Accept" or "Do not comply/Do not accept" (with a √ or an X) regarding compliance with the requirements. Where necessary, the Bidders shall substantiate their response to a specific question.

**NOTE: It is mandatory for Bidders to complete or answer this part fully as failure to do so would result the Bid being treated as incomplete and the Bid may be disqualified.**

25.1.1

| | Accept | Do not accept |
|---|---|---|
| This Bid is subject to the DENEL GROUP PROCUREMENT TERMS AND CONDITIONS stipulated in this RFP document. | | |

25.1.2

| | Accept | Do not accept |
|---|---|---|
| The laws of the Republic of South Africa shall govern this RFP and the Bidders hereby accept that the courts of the Republic of South Africa have the jurisdiction. | | |

25.1.3

| | Accept | Do not accept |
|---|---|---|
| LMT Products (PTY) Ltd shall not be liable for any costs incurred by the Bidder in the preparation of response to this RFP. The preparation of response shall be made without obligation to acquire any of the items included in any Bidder's proposal or to select any proposal, or to discuss the reasons why such vendor's or any other proposal was accepted or rejected. | | |

25.1.4

| | Accept | Do not accept |
|---|---|---|
| LMT Products (PTY) Ltd may request written clarification or further information regarding any aspect of this proposal. The Bidders must supply the requested information in writing within two working days after the request has been made, otherwise the proposal may be disqualified. | | |

25.1.5

| | Accept | Do not accept |
|---|---|---|
| In the case of Consortium, Joint Venture or subcontractors, Bidders are required to provide copies of signed agreements stipulating the work split and Rand value as well as the shareholding of all parties involved (certified) | | |

25.1.6

| | Accept | Do not accept |
|---|---|---|
| In the case of Consortium, Joint Venture or subcontractors, all Bidders are required to provide mandatory documents, this includes a BEE certificate for the lead company as well as all partners/associates | | |

25.1.7

| | Accept | Do not accept |
|---|---|---|
| LMT Products (PTY) Ltd reserves the right to cancel or reject any proposal and not to award the proposal to the lowest Bidder or award parts of the proposal to different Bidders, or not to award the proposal at all. | | |

25.1.8

| | Accept | Do not accept |
|---|---|---|
| Where applicable, Bidders are required to submit back-to-back agreements and service level agreements with their principals/partners. | | |

25.1.9

| | Accept | Do not accept |
|---|---|---|
| By submitting a proposal in response to this RFP, the Bidders accept the evaluation criteria as it stands. | | |

25.1.10

| | Accept | Do not accept |
|---|---|---|
| Where applicable, LMT Products (PTY) Ltd reserves the right to run benchmarks on the requirement, during the evaluation and after the evaluation. | | |

25.1.11

| | Accept | Do not accept |
|---|---|---|
| LMT Products (PTY) Ltd reserves the right to conduct a pre-award survey during the selection process to evaluate bidder's capabilities to meet the requirements specified in the RFP and supporting documents. | | |

25.1.12

| | Accept | Do not accept |
|---|---|---|
| Only the solution commercially available at the proposal closing date shall be considered. No Bids for future solutions shall be accepted. | | |

25.1.13

| | Accept | Do not accept |
|---|---|---|
| The Bidder should not qualify the proposal with own conditions.<br>**Caution:** If the Bidder does not specifically withdraw its own conditions of proposal when called upon to do so, the proposal response shall be declared invalid. | | |

25.1.14

| | Accept | Do not accept |
|---|---|---|
| Should the Bidder withdraw the proposal before the proposal validity period expires, LMT Products (PTY) Ltd reserves the right to recover any additional expense incurred by LMT Products (PTY) Ltd having to accept any less favourable proposal or the additional expenditure incurred by LMT Products (PTY) Ltd in the preparation of a new RFP and by the subsequent acceptance of any less favourable proposal. | | |

25.1.15

| | Accept | Do not accept |
|---|---|---|
| Should the parties at any time before and/or after the award of the proposal and prior to, and-or after conclusion of the contract fail to agree on any significant product price or service price adjustments, change in technical specification, change in services, etc.<br>LMT Products (PTY) Ltd shall be entitled within 14 (fourteen) days of such failure to agree, to recall the letter of award and cancel the proposal by giving the Bidder not less than 14 (fourteen) days written notice of such cancellation, in which event all fees on which the parties failed to agree increases or decreases shall, for the duration of such notice period, remain fixed on those fee/price applicable prior to the negotiations.<br>Such cancellation shall mean that LMT Products (PTY) Ltd reserves the right to award the same proposal to the next best Bidder as it deems fit. | | |

25.1.16

| | Accept | Do not accept |
|---|---|---|
| In the case of a consortium or JV, each of the authorised enterprises members and/or partners of the different enterprises must co-sign this document/bid submission. | | |

25.1.17

| | Accept | Do not accept |
|---|---|---|
| Any amendment or change of any nature made to this RFP shall only be of force and effect if it is in writing, signed by the authorised LMT Products (PTY) Ltd signatory and added to this RFP as an addendum. | | |

25.1.18

| | Accept | Do not accept |
|---|---|---|
| Failure or neglect by either party to (at any time) enforce any of the provisions of this proposal shall not, in any manner, be construed to be a waiver of any of that party's right in that regard and in terms of this proposal. Such failure or neglect shall not, in any manner, affect the continued, unaltered validity of this proposal, or prejudice the right of that party to institute subsequent action. | | |

25.1.19

| | Accept | Do not accept |
|---|---|---|
| Bidders who make use of subcontractors.<br>The proposal shall however be awarded to the Bidder as a primary contractor who shall be responsible for the management of the awarded proposal.<br>A Bidder which was awarded the contract after the evaluation shall not be allowed to subcontract more than 25% of the value of the contract to another entity unless prior written approval is obtained from LMT Products (PTY) Ltd separate contract shall be entered into between LMT Products (PTY) Ltd and any such subcontractor.<br>Copies of the signed agreements between the relevant parties must be attached to the proposal responses. A list of potential sub-contractors/wholesalers must be presented with the bid. | | |

25.1.20

| | Accept | Do not accept |
|---|---|---|
| All services supplied in accordance with this proposal must be certified to all legal requirements as per the South African law. | | |

25.1.21

| | Accept | Do not accept |
|---|---|---|
| No interest shall be payable on accounts due to the successful Bidder in an event of a dispute arising on any stipulation in the contract or payment delays. | | |

25.1.22

| | Accept | Do not accept |
|---|---|---|
| Evaluation of Bids shall be performed by an evaluation panel established by LMT Products (PTY) Ltd.<br>Bids shall be evaluated on the basis of conformance to the required specifications as outlined in the RFP.<br>Points shall be allocated to each Bidder, on the basis that the maximum number of points that may be scored for price is 80, and the maximum number of preference points that may be claimed for B-BBEE (according to the PPPFA) is 20. | | |

25.1.23

| | Accept | Do not accept |
|---|---|---|
| If the successful Bidder disregards contractual specifications, this action may result in the termination of the contract. | | |

25.1.24

| | Accept | Do not accept |
|---|---|---|
| The Bidders' response to this Bid, or parts of the response, shall be included as a whole or by reference in the final contract. | | |

25.1.25

| | Accept | Do not accept |
|---|---|---|
| Should the evaluation of this Bid not be completed within the validity period of the Bid, LMT Products has discretion to extend the validity period. | | |

25.1.26

| | Accept | Do not accept |
|---|---|---|
| Upon receipt of the request to extend the validity period of the Bid, the Bidder must respond within the required time frames and in writing on whether or not he/she agrees to hold his/her original Bid response valid under the same terms and conditions for a further period. | | |

25.1.27

| | Accept | Do not accept |
|---|---|---|
| Should the Bidder change any wording or phrase in this document, the Bid shall be evaluated as though no change has been effected and the original wording or phrasing shall be used. | | |

22.1.28

| | Accept | Do not accept |
|---|---|---|
| Bidder's must be willing to present samples to LMT Products, in order for LMT Products to gauge the quality when required, All sourcing/manufacturing of such samples will be entirely at the risk of the bidder.<br>LMT Products will not reimburse or purchase these samples, samples will be subjected to testing environments as decided on by LMT Products.<br>LMT Products will not be held liable for any damages during the testing process. | | |

22.1.29

| | Accept | Do not accept |
|---|---|---|
| Bidder's must be willing to allow LMT Products to conduct site/facility/warehouse/wholesaler/operations and manufacturing inspections when required before/during or after the evaluation process | | |

22.1.30

| | Accept | Do not accept |
|---|---|---|
| The stipulated/reflected quantities are an estimation. LMT Products reserves the right not to require/procure or utilise the entire quantities as specified on Annexure A. These indicative quantities/specifications are subject to increase or decrease as per LMT Products requirement. | | |

22.1.31

| | Accept | Do not accept |
|---|---|---|
| Bidders are expected to present LMT Products with valid industry relating costings, if increases are applicable, bidders must be able to identify the cost driver that has increased.<br>Bidders are to notify LMT Products in writing ( Two (2) months in advance) as to any increases, LMT Products will agree to the increase in writing and reserves the right to review the applicability of the increase | | |

Signature(s) of Bidder or assignee(s) Date

Name of signing person (in block letters)

Capacity

Are you duly authorized to sign this Bid?

Name of Bidder (in block letters)

Postal address (in block letters)

Domicilium citandi et executandi in the RSA (full street address of this place) (in block letters)

.....

.....

Telephone Number: ..... FAX number.....

Cell Number: .....

Email Address.....

## PART D: SCOPE OF WORK

## 26. SCOPE OF WORK:

### PURPOSE

The purpose of this RFP is to obtain proposals from suitably qualified and experienced service providers to provide and supply of Ferrous and Non Ferrous materials if and when required by the LMT Products.

A formal tender process to select and contract a service provider (or service providers) for a period of three years to render the services as required.

It must be noted that the stipulated quantities will be the bidders responsibility to identify the minimum quantities that can be delivery at a specific costing. LMT Products reserves the right not to require/procure or utilise the entire quantities as suggested by the bidder on Annexure A.

### 26.1 WHAT IS THE REQUIREMENT

- Supply of all Raw Material.
- Material must be supplied within the agreed upon schedule.
- Material certificates to be supplied with all materials.
- Price must be per kilogram, meter, millimetre and/or square meters, depending on the type of material and the applicable denomination of quantity
- Price must be valid for 1 year of signed contract and must be submitted by means of a pricelist reflecting type off steel denomination of quantity and price

### 26.2 TECHNICAL REQUIREMENTS:

- Material must have test certification where applicable and done before acceptance.
- See Specification requirements.

### 26.3 VALUE ADDING:

- Delivery to LMT premises
- Cut to size if applicable
- Consignment stock management at LMT, 286 Maggs Street. Proposed plan to be submitted.
- No Minimum quantities

Quality

- Conformance to material specification requirement.
- Commitment to improved value added quality
- Packaging of delivered material.

Cost

- Cost competitiveness
- Commitment to cost reduction
- General commercial consideration

Service

- Response to emergencies
- Invoice and Statement accuracy
- Timeously delivery of Statements

Delivery

- Delivery schedule will be finalized once the contract has been completed.

26.4 **BUDGETARY REQUIREMENTS:**

Price must be per kilogram, meter, millimetre and square meters. Depending on the type of material and the applicable denomination of quantity.

Price must be valid for 1 year of signed contract and must be submitted by means of a pricelist reflecting type off steel denomination of quantity and price.

26.5 **TECHNICAL REQUIREMENTS:**

Material must have all material composition certificates and test certification where applicable done before acceptance.

26.6 **VALUE ADDING:**

Delivery to LMT premises

Cut to size

Consignment stock management at LMT, 286 Maggs Street. Proposed plan to be submitted.

26.7 **The provision of services shall include but not limited to;**

**Itemised List of products includes but not limited to;**

Products as reflected on Annexure R and S, bidders are required to complete Annexure R and S in Full/in detail.
Annexure R and S shall be submitted as part of the bid. Failure to do so shall render the bidders submission non-compliant and this will be disqualified immediately.

**Industry Increases/Escalation**

Bidders are expected to present LMT Products with valid industry relating costings, if increases are applicable, bidders must be able to identify the cost driver that has increased

Bidders are to notify LMT Products in writing (Two (2) months in advance) as to any increase, LMT Products will agree to the increase in writing and reserves the right to review the applicability of the increase

**Delivery to LMT Products**

Bidders will be responsible to deliver all goods required to LMT Products. Prompt delivery of all goods required

**Rejections/Substandard products**

Prompt addressing of all defects and returns, bidders are requested to replace the goods as soon as possible.

**Invoicing, statement and Payments**

Bidder must adhere to proper invoicing control. LMT Products will only pay for goods that have been authorised and received. Bidders shall adhere to LMT Products approval process and are required to deliver goods upon the receipt of an official purchase order ONLY.
A monthly statement accompanied by the individual invoices that relates to the invoices on the statement for the month will then be submitted to LMT Products. All supporting documents relating to the invoices on the monthly statement must accompany the invoices.

In the event that the bidder delivers stock/goods without a purchase order LMT Products will not be held liable to effect any such payments.
LMT Products will not affect/pay any upfront payment, part payment or full settlement in advance or prior to full order delivery.

## 26.8 SPECIFICATION'

| Description | Annexure | Quantity | Price EX Vat |
|---|---|---|---|
| Ferrous Metal | Annexure R | As per requirements | Price to be supplied as per annexure A list |
| Non-Ferrous Metal | Annexure S | As per requirements | Price to be supplied as per annexure B list |

**NOTE : A soft copy of the specification pricing must be delivered with the tender documents**

# Annexure R : Ferrous Metal

1. 300 WA IPE I-Beam (160+A2:A143x082mm)
2. 2. 300 WA Rectangular Tubing (120x080x006mm)
3. 300 WA Rectangular Tubing (152x076x006mm)
4. 300 WA Sheet (020mm)
5. 300 WA Square Tube (080x080x006mm)
6. 350 WA 10.1kg/m SA Parallel Flange Channel (100x050mm)
7. 350 WA 137kg/m H-Beam (305mm)
8. 350 WA 16kg/m Taper Flange Channel (140x060mm)
9. 350 WA 18.9kg/m DIN Taper Flange Channel (160x065mm)
10. 350 WA 24.3kg/m SA Parallel Flange Channel (200x075mm)
11. 350 WA 25.1kg/m I-Beam (203x133mm)
12. 350 WA 51kg/m I-Beam (356x171mm)
13. 350 WA 6.72kg/m BS Taper Flange Channel (076x038mm)
14. 350 WA I-Beam (180x091mm)
15. 350 WA SA Parallel Flange Channel (230x090mm)
16. EN19 Bright Bar Solid Round Bar (016mm)
17. EN19 Bright Bar Solid Round Bar (025mm)
18. EN19 Solid Round Bar (012mm)
19. EN19 Solid Round Bar (016mm)
20. EN19 Solid Round Bar (030mm)
21. EN19 Solid Round Bar (035mm)
22. EN19 Solid Round Bar (040mm)
23. EN19 Solid Round Bar (045mm)
24. EN19 Solid Round Bar (070mm)
25. EN19 Solid Round Bar (075mm)
26. EN19 Solid Round Bar (085mm)
27. EN19 Solid Round Bar (090mm)
28. EN19 Solid Round Bar (120mm)
29. EN19 Solid Round Bar (130mm)
30. EN19 T Solid Round Bar (030mm)
31. EN19 T Solid Round Bar (090mm)
32. EN3 Bright Bar Solid Round Bar (005mm)
33. EN3 Bright Bar Solid Round Bar (008mm)
34. EN3 Bright Bar Solid Round Bar (010mm)
35. EN3 Bright Bar Solid Round Bar (012mm)
36. EN3 Bright Bar Solid Round Bar (014mm)
37. EN3 Bright Bar Solid Round Bar (016mm)
38. EN3 Bright Bar Solid Round Bar (020mm)
39. EN3 Bright Bar Solid Round Bar (025mm)
40. EN3 Bright Bar Solid Round Bar (026mm)

41. EN3 Bright Bar Solid Round Bar (030mm)
42. EN3 Bright Bar Solid Round Bar (035mm)
43. EN3 Bright Bar Solid Round Bar (040mm)
44. EN3 Bright Bar Solid Round Bar (050mm)
45. EN3 Bright Bar Solid Round Bar (055mm)
46. EN3 Bright Bar Solid Round Bar (070mm)
47. EN3 Bright Bar Solid Round Bar (120mm)
48. EN3 Solid Round Bar (016mm)
49. EN3 Solid Round Bar (020mm)
50. EN3 Solid Round Bar (050mm)
51. EN3 Solid Round Bar (055mm)
52. EN3 Solid Round Bar (060mm)
53. EN3 Solid Round Bar (070mm)
54. EN3 Solid Round Bar (080mm)
55. EN3 Solid Round Bar (090mm)
56. EN3 Solid Round Bar (100mm)
57. EN3 Solid Round Bar (120mm)
58. EN3 Solid Round Bar (160mm)
59. EN3 Solid Round Bar (210mm)
60. EN3 Square Bar (020x020mm)
61. EN3 Square Bar (030x030mm)
62. EN30B Solid Round Bar (100mm)
63. EN8 Bright Bar Solid Round Bar (008mm)
64. EN8 Bright Bar Solid Round Bar (010mm)
65. EN8 Bright Bar Solid Round Bar (012mm)
66. EN8 Bright Bar Solid Round Bar (016mm)
67. EN8 Bright Bar Solid Round Bar (020mm)
68. EN8 Bright Bar Solid Round Bar (025mm)
69. EN8 Bright Bar Solid Round Bar (030mm)
70. EN8 Bright Bar Solid Round Bar (035mm)
71. EN8 Bright Bar Solid Round Bar (040mm)
72. EN8 Bright Bar Solid Round Bar (045mm)
73. EN8 Bright Bar Solid Round Bar (050mm)
74. EN8 Bright Bar Solid Round Bar (060mm)
75. EN8 Bright Bar Solid Round Bar (150mm)
76. EN8 Bright Bar Solid Round Bar (160mm)
77. EN8 Bright Bar Solid Round Bar (220mm)
78. EN8 Hex Bar (013mm)
79. EN8 Hollow Bar (071x045mm)
80. EN8 Hollow Bar (090x050mm)
81. EN8 Hollow Bar (118x063mm)
82. EN8 R Hollow Bar (032x016mm)
83. EN8 R Hollow Bar (045x028mm)
84. EN8 R Solid Round Bar (060mm)
85. EN8 Solid Round Bar (012mm)

86. EN8 Solid Round Bar (016mm)
87. EN8 Solid Round Bar (025mm)
88. EN8 Solid Round Bar (050mm)
89. EN8 Solid Round Bar (115mm)
90. EN8 Solid Round Bar (120mm)
91. EN8 Solid Round Bar (240mm)
92. EN8 Solid Round Bar (300mm)
93. EN8 Solid Round Bar (320mm)
94. EN8 Square Bar (030x030mm)
95. EN8 Square Bar (040x040mm)
96. EN8 Square Bar (050x050mm)
97. EN8 Square Bar (060x060mm)
98. EN8 Square Bar (105mm)
99. Mild Steel Equal Angle (025x002mm)
100. Mild Steel Equal Angle (030x003mm)
101. Mild Steel Equal Angle (050x005mm)
102. Mild Steel Equal Angle (050x006mm)
103. Mild Steel Equal Angle (050x008mm)
104. Mild Steel Equal Angle (060x006mm)
105. Mild Steel Equal Angle (070x008mm)
106. Mild Steel Equal Angle (070x010mm)
107. Mild Steel Flat Bar (016x003mm)
108. Mild Steel Flat Bar (020x005mm)
109. Mild Steel Flat Bar (040x016mm)
110. Mild Steel Flat Bar (050x010mm)
111. Mild Steel Flat Bar (050x020mm)
112. Mild Steel Flat Bar (060x006mm)
113. Mild Steel Flat Bar (080x008mm)
114. Mild Steel Flat Bar (150x008mm)
115. Mild Steel Flat Diamond Mesh (020x008x002x001mm)
116. Mild Steel Galvanised Threaded Rod (M5x000.8mm)
117. Mild Steel Hollow Bar (056x036mm)
118. Mild Steel Hollow Bar (080x030mm)
119. Mild Steel Hollow Bar (080x050mm)
120. Mild Steel Lipped Channel (100x050x020x002mm)
121. Mild Steel Rectangular Tubing (032x19x2mm)
122. Mild Steel Rectangular Tubing (038x19x2mm)
123. Mild Steel Rectangular Tubing (076.2x038.1x004mm)
124. Mild Steel Rectangular Tubing (080x040x003mm)
125. Mild Steel Rectangular Tubing (101.6x050.8x004mm)
126. Mild Steel Rectangular Tubing (101.6x050.8x006mm)
127. Mild Steel Rectangular Tubing (150x100x004.5mm)

128. Mild Steel Round Tubing (015.8x002mm)
129. Mild Steel Round Tubing (019x001.6mm)
130. Mild Steel Round Tubing (019x002mm)
131. Mild Steel Round Tubing (020x002mm)
132. Mild Steel Round Tubing (021.3x002mm)
133. Mild Steel Round Tubing (025.4x002mm)
134. Mild Steel Round Tubing (025x003mm)
135. Mild Steel Round Tubing (027x003mm)
136. Mild Steel Round Tubing (030x002mm)
137. Mild Steel Round Tubing (031.8x001.6mm)
138. Mild Steel Round Tubing (031x002.5mm)
139. Mild Steel Round Tubing (032x002.5mm)
140. Mild Steel Round Tubing (032x002mm)
141. Mild Steel Round Tubing (032x003mm)
142. Mild Steel Round Tubing (050x002.5mm)
143. Mild Steel Round Tubing (064x004mm)
144. Mild Steel Round Tubing (076.2x001.6mm)
145. Mild Steel Round Tubing (101.6x001.6mm)
146. Mild Steel Round Tubing (101.6x003mm)
147. Mild Steel Round Tubing (139.7x003mm)
148. Mild Steel Round Tubing (193.7x006mm)
149. Mild Steel Sheet (001.6mm)
150. Mild Steel Sheet (001mm)
151. Mild Steel Sheet (006mm)
152. Mild Steel Sheet (008mm)
153. Mild Steel Solid Round Bar (003mm)
154. Mild Steel Solid Round Bar (005mm)
155. Mild Steel Solid Round Bar (006mm)
156. Mild Steel Solid Round Bar (008mm)
157. Mild Steel Solid Round Bar (010mm)
158. Mild Steel Solid Round Bar (012mm)
159. Mild Steel Solid Round Bar (018mm)
160. Mild Steel Solid Round Bar (020mm)
161. Mild Steel Solid Round Bar (025mm)
162. Mild Steel Solid Round Bar (035mm)
163. Mild Steel Solid Round Bar (040mm)
164. Mild Steel Square Bar (040x040mm)
165. Mild Steel Square Tube (016mm)
166. Mild Steel Square Tube (019x002mm)
167. Mild Steel Square Tube (020x002mm)
168. Mild Steel Square Tube (025x002mm)
169. Mild Steel Square Tube (025x003mm)
170. Mild Steel Square Tube (038x001.6mm)
171. Mild Steel Square Tube (038x003mm)
172. Mild Steel Square Tube (043x002mm)

173. Mild Steel Square Tube (050x003mm)
174. Mild Steel Square Tube (050x004mm)
175. Mild Steel Square Tube (060x005mm)
176. Mild Steel Square Tube (080x004mm)
177. Mild Steel Square Tube (090x006mm)
178. Mild Steel Square Tube (100x003mm)
179. Mild Steel Square Tube (100x004mm)
180. Mild Steel Square Tube (100x005mm)
181. Mild Steel Square Tube (100x006mm)
182. Mild Steel Threaded Rod (M6x001mm)
183. ST52 Hollow Bar (040x025mm)
184. ST52 Hollow Bar (050x032mm)
185. ST52 Hollow Bar (063x032mm)
186. ST52 Hollow Bar (063x040mm)
187. ST52 Hollow Bar (063x042mm)
188. ST52 Hollow Bar (071x045mm)
189. ST52 Hollow Bar (080x063mm)
190. ST52 Hollow Bar (106x056mm)
191. ST52 Hollow Bar (106x080mm)
192. ST52 Hollow Bar (118x063mm)
193. ST52 Hollow Bar (125x090mm)
194. ST52 Hollow Bar (150x090mm)
195. ST52 Hollow Bar (160x090mm)
196. ST52 Hollow Bar (160x132mm)
197. ST52 Hollow Bar (180x150mm)
198. ST52 Hollow Bar (190x160mm)
199. ST52 Hollow Bar (200x112mm)
200. ST52 Hollow Bar (212x160mm)
201. ST52 Hollow Bar (267x147mm)

# Annexure S : Non-Ferrous Metal

1. Aluminium 5754 H111 (008mm)
2. Aluminium 5754 H111 (010mm)
3. Aluminium 5754 H14 (002mm)
4. Aluminium 5754 H14 (003mm)
5. Aluminium 5754 H14 (004mm)
6. Aluminium 5754 H14 (008mm)
7. Aluminium 5754 H14 (010mm)
8. Aluminium 6063 T6 Parallel Flange Channel (076.2x038.1x006.36mm)
9. Aluminium 6063 T6 Round Tubing (025.4x001.6mm)
10. Aluminium 6063 T6 Square Tube (031.75x003.18mm)
11. Aluminium 6082 T6 Sheet (008mm)
12. Aluminium 6082 T6 Sheet (010mm)
13. Aluminium 6082 T6 Sheet (025mm)
14. Aluminium 6082 T6 Sheet (050mm)
15. Aluminium 6082 T6 Sheet (075mm)
16. Aluminium 1200 T6 Sheet (002mm)
17. Aluminium 1200 T6 Sheet (003mm)
18. Aluminium 1200 T6 Sheet (001.5mm)
19. Stainless Steel 304 Round Tubing (022x001.6mm)
20. Stainless Steel 304 Round Tubing (026.7x002.11mm)
21. Stainless Steel 304 Round Tubing (038.1x001.2mm)
22. Stainless Steel 304 Round Tubing (102x001.5mm)
23. Stainless Steel 304 Solid Round Bar (010mm)
24. Stainless Steel 304 Solid Round Bar (12mm)
25. Stainless Steel 304 Solid Round Bar (16mm)
26. Stainless Steel 304 Solid Round Bar (020mm)
27. Stainless Steel 304 Solid Round Bar(24mm)
28. Stainless Steel 304 Solid Round Bar (025mm)
29. Stainless Steel 304 Solid Round Bar (035mm)
30. Stainless Steel 304 Solid Round Bar(40mm)
31. Stainless Steel 304 Solid Round Bar (050mm)
32. Stainless Steel 304 Welded Wire Mesh (025x025x003.15mm)
33. Stainless Steel 316 Solid Round Bar (025mm)
34. Stainless Steel 1.4301/2B (002mm)
35. Stainless Steel 1.4301/2B (003mm)
36. Stainless Steel 1.4301/2B (006mm)
37. Stainless Steel 1.4301/2B (000.5mm)
38. Stainless Steel 1.4301/2B (001.2mm)
39. Stainless Steel 1.4301/2B (001.5mm)
40. Stainless Steel 1.4301/2B (001.6mm)

**Annexure A** SBD 1

# INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/PUBLIC ENTITY)

BID NUMBER: 005/2017 CLOSING DATE: 15th August 2017 CLOSING TIME: 15:00

DESCRIPTION SUPPLY OF FERROUS AND NON FERROUS METALS

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

BID DOCUMENTS MAY BE POSTED TO : Must be delivered to LMT Products (Physical address)

OR

DEPOSITED IN THE BID BOX SITUATED AT *(STREET ADDRESS)*
Delivered to : LMT Products. 286 Maggs Street, Waltloo, Pretoria.
LMT Reception;

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

The bid box is generally open 24 hours a day, 7 days a week.

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

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

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

NAME OF BIDDER .....

POSTAL ADDRESS .....

STREET ADDRESS .....

TELEPHONE NUMBER CODE.....NUMBER.....

CELLPHONE NUMBER .....

FACSIMILE NUMBER CODE ..... .NUMBER.....

E-MAIL ADDRESS .....

VAT REGISTRATION NUMBER .....

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

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

IF YES, WHO WAS THE CERTIFICATE ISSUED BY?

AN ACCOUNTING OFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)..... .....
A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS); OR.....
A REGISTERED AUDITOR .....
[TICK APPLICABLE BOX]

**(A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE)**

ARE YOU THE ACCREDITED REPRESENTATIVE
IN SOUTH AFRICA FOR THE GOODS / SERVICES / WORKS OFFERED? YES or NO [IF YES ENCLOSE PROOF]

SIGNATURE OF BIDDER .....

DATE .....

CAPACITY UNDER WHICH THIS BID IS SIGNED .....

TOTAL BID PRICE..... TOTAL NUMBER OF ITEMS OFFERED .....

---

**ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:**

**Department:** LMT Procurement Department

**Contact Person:** Elbie De Beer

**Tel:** 012 803 6184

**Fax:** 012 803 6848

**E-mail address:** elbie@lmt.co.za

**ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:**

**Contact Person:** Nelius Els

**Tel:** 012 803 6184

**Fax:** 012 803 6848

**E-mail address:** nelius@lmt.co.za

# TAX CLEARANCE CERTIFICATE REQUIREMENTS

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

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

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

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

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

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

6 Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.sars.gov.za.

**ANNEXURE C** **SBD 3.1**

# 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 11:00 | Closing date..... |

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

| ITEM NO. | QUANTITY | DESCRIPTION | BID PRICE IN RSA CURRENCY ** (ALL APPLICABLE TAXES INCLUDED) |
|---|---|---|---|

- Required by: .....
- At: .....
  .....
- Brand and model .....
- Country of origin .....
- Does the offer comply with the specification(s)? *YES/NO
- If not to specification, indicate deviation(s) .....
- Period required for delivery .....
  *Delivery: Firm/not firm
- Delivery basis .....

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

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

*Delete if not applicable

**ANNEXURE D** **SBD 3.2**

## PRICING SCHEDULE – NON-FIRM PRICES (PURCHASES)

**NOTE:** **PRICE ADJUSTMENTS WILL BE ALLOWED AT THE PERIODS AND TIMES SPECIFIED IN THE BIDDING DOCUMENTS.**

**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 11:00 ..... Closing date.....

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

| ITEM NO. | QUANTITY | DESCRIPTION | BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED) |
|---|---|---|---|

- Required by: .....
- At: .....
- Brand and model .....
- Country of origin .....
- Does the offer comply with the specification(s)? *YES/NO
- If not to specification, indicate deviation(s) .....
- Period required for delivery .....
- Delivery: *Firm/not firm

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

*Delete if not applicable

**SBD 3.2**

## PRICE ADJUSTMENTS

**A NON-FIRM PRICES SUBJECT TO ESCALATION**

1. IN CASES OF PERIOD CONTRACTS, NON FIRM PRICES WILL BE ADJUSTED (LOADED) WITH THE ASSESSED CONTRACT PRICE ADJUSTMENTS IMPLICIT IN NON FIRM PRICES WHEN CALCULATING THE COMPARATIVE PRICES

2. IN THIS CATEGORY PRICE ESCALATIONS WILL ONLY BE CONSIDERED IN TERMS OF THE FOLLOWING FORMULA:

$$Pa = (1-V)Pt\left(D1\frac{R1t}{R1o} + D2\frac{R2t}{R2o} + D3\frac{R3t}{R3o} + D4\frac{R4t}{R4o}\right) + VPt$$

Where:

| | | |
|---|---|---|
| Pa | = | The new escalated price to be calculated. |
| (1-V)Pt | = | 85% of the original bid price. **Note that Pt must always be the original bid price and not an escalated price.** |
| D1, D2.. | = | Each factor of the bid price eg. labour, transport, clothing, footwear, etc. The total of the various factors D1, D2...etc. must add up to 100%. |
| R1t, R2t..... | = | Index figure obtained from new index (depends on the number of factors used). |
| R1o, R2o | = | Index figure at time of bidding. |
| VPt | = | 15% of the original bid price. This portion of the bid price remains firm i.e. it is not subject to any price escalations. |

3. The following index/indices must be used to calculate your bid price:

Index..... Dated..... Index..... Dated..... Index..... Dated.....

Index..... Dated..... Index..... Dated..... Index..... Dated.....

4. FURNISH A BREAKDOWN OF YOUR PRICE IN TERMS OF ABOVE-MENTIONED FORMULA. THE TOTAL OF THE VARIOUS FACTORS MUST ADD UP TO 100%.

| FACTOR<br>(D1, D2 etc. eg. Labour, transport etc.) | PERCENTAGE OF BID PRICE |
|---|---|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

## B PRICES SUBJECT TO RATE OF EXCHANGE VARIATIONS

1. Please furnish full particulars of your financial institution, state the currencies used in the conversion of the prices of the items to South African currency, which portion of the price is subject to rate of exchange variations and the amounts remitted abroad.

| PARTICULARS OF FINANCIAL INSTITUTION | ITEM NO | PRICE | CURRENCY | RATE | PORTION OF PRICE SUBJECT TO ROE | AMOUNT IN FOREIGN CURRENCY REMITTED ABROAD |
|---|---|---|---|---|---|---|
| | | | | ZAR= | | |
| | | | | ZAR= | | |
| | | | | ZAR= | | |
| | | | | ZAR= | | |
| | | | | ZAR= | | |
| | | | | ZAR= | | |

2. Adjustments for rate of exchange variations during the contract period will be calculated by using the average monthly exchange rates as issued by your commercial bank for the periods indicated hereunder: (Proof from bank required)

| AVERAGE MONTHLY EXCHANGE RATES FOR THE PERIOD: | DATE DOCUMENTATION MUST BE SUBMITTED TO THIS OFFICE | DATE FROM WHICH NEW CALCULATED PRICES WILL BECOME EFFECTIVE | DATE UNTIL WHICH NEW CALCULATED PRICE WILL BE EFFECTIVE |
|---|---|---|---|
| | | | |
| | | | |
| | | | |

Bid No.: .....

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:

**ANNEXURE F** **SBD 4**

# DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state[1], 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, shareholder[2]): .....

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: ……<br>Name of state institution at which you or the person connected to the bidder is employed : ……<br>Position occupied in the state institution: …… | |
| | Any other particulars:<br>……<br>……<br>…… | |
| 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?<br><br>(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid. | **YES / NO** |
| 2.7.2.2 | If no, furnish reasons for non-submission of such proof:<br><br>……<br>……<br>…… | |
| 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:<br>……<br>……<br>…… | |
| 2.9 | Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid? | **YES / NO** |

2.9.1 If so, furnish particulars.

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

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

2.10.1 If so, furnish particulars.

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

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

2.11.1 If so, furnish particulars:

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

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

| Full Name | Identity Number | Personal Tax Reference Number | State Employee Number / Persal Number |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

## 4 DECLARATION

I, THE UNDERSIGNED (NAME)……

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

| | |
|---|---|
| …… | …… |
| Signature | Date |
| …… | …… |
| Position | Name of bidder |

**ANNEXURE G** **SBD 6.1**

# PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2011

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

**NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2011.**

---

## 1. GENERAL CONDITIONS

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

- the 80/20 system for requirements with a Rand value of up to R1 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R1 000 000 (all applicable taxes included).

1.2 The value of this bid is estimated to exceed/not exceed R1 000 000 (all applicable taxes included) and therefore the.....system shall be applicable.

1.3 Preference points for this bid shall be awarded for:

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

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

| | | **POINTS** |
|---|---|---|
| **1.3.1.1** | **PRICE** | ..... |
| **1.3.1.2** | **B-BBEE STATUS LEVEL OF CONTRIBUTION** | ..... |
| | **Total points for Price and B-BBEE must not exceed** | **100** |

1.4 Failure on the part of a bidder to fill in and/or to sign this form and submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS) or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or an Accounting Officer as contemplated in the Close Corporation Act (CCA) together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

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

## 2. DEFINITIONS

2..1 **"all applicable taxes"** includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;

2.2 **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad -Based Black Economic Empowerment Act;

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

2.4 **"bid"** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;

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

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

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

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

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

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

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

2.12 **"non-firm prices"** means all prices other than "firm" prices;

2.13 **"person"** includes a juristic person;

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

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

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

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

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

## 3. ADJUDICATION USING A POINT SYSTEM

3.1 The bidder obtaining the highest number of total points will be awarded the contract.

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

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

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

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

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

## 4. POINTS AWARDED FOR PRICE

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

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

**80/20** **or** **90/10**

$$Ps = 80\left(1 - \frac{Pt - P\min}{P\min}\right) \quad \text{or} \quad Ps = 90\left(1 - \frac{Pt - P\min}{P\min}\right)$$

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

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

5.1 In terms of Regulation 5 (2) and 6 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

| 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 | 8 | 16 |
| 4 | 5 | 12 |
| 5 | 4 | 8 |
| 6 | 3 | 6 |
| 7 | 2 | 4 |
| 8 | 1 | 2 |
| Non-compliant contributor | 0 | 0 |

5.2 Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates.

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

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

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

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

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

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

**6. BID DECLARATION**

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

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

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

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

## 8 SUB-CONTRACTING

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

8.1.1 If yes, indicate:

(i) what percentage of the contract will be subcontracted? .....%
(ii) the name of the sub-contractor? .....
(iii) the B-BBEE status level of the sub-contractor? .....
(iv) whether the sub-contractor is an EME? YES / NO (delete which is not applicable)

## 9 DECLARATION WITH REGARD TO COMPANY/FIRM

9.1 Name of company/firm .....

9.2 VAT registration number :.....

9.3 Company registration number .....
:

9.4 TYPE OF COMPANY/ FIRM

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

9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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

9.6 COMPANY CLASSIFICATION

Manufacturer
Supplier
Professional service provider

Other service providers, e.g. transporter, etc.
[TICK APPLICABLE BOX]

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

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

(i) The information furnished is true and correct;

(ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form.

(iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 7, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;

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

(a) disqualify the person from the bidding process;

(b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;

(c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

(d) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the audi alteram partem (hear the other side) rule has been applied; and

(e) forward the matter for criminal prosecution

**WITNESSES:**

1. .....

.....
SIGNATURE(S) OF BIDDER(S)

2. .....

DATE:.....
ADDRESS:.....
.....

.....

**ANNEXURE H** **SBD 7.2**

# CONTRACT FORM - RENDERING OF SERVICES

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

## PART 1 (TO BE FILLED IN BY THE SERVICE PROVIDER)

1. I hereby undertake to render services described in the attached bidding documents to (name of the institution)…… in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number…….. at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid .

2. The following documents shall be deemed to form and be read and construed as part of this agreement:

   (i) Bidding documents, *viz*
   - Invitation to bid;
   - Tax clearance certificate;
   - Pricing schedule(s);
   - Filled in task directive/proposal;
   - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
   - Declaration of interest;
   - Declaration of bidder's past SCM practices;
   - Certificate of Independent Bid Determination;
   - Special Conditions of Contract;

   (ii) General Conditions of Contract; and
   (iii) Other (specify)

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

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

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

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

NAME (PRINT) ……

CAPACITY ……

SIGNATURE ……

NAME OF FIRM ……

DATE ……

WITNESSES

1 ……

2 ……

DATE: ……

**SBD 7.2**

## CONTRACT FORM - RENDERING OF SERVICES

## PART 2 (TO BE FILLED IN BY THE PURCHASER)

1. I..... in my capacity as..... accept your bid under reference number .....dated.....for the rendering of services indicated hereunder and/or further specified in the annexure(s).

2. An official order indicating service delivery instructions is forthcoming.

3. I undertake to make payment for the services rendered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice.

| DESCRIPTION OF SERVICE | PRICE (ALL APPLICABLE TAXES INCLUDED) | COMPLETION DATE | B-BBEE STATUS LEVEL OF CONTRIBUTION | MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable) |
|---|---|---|---|---|
| | | | | |

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

SIGNED AT .....ON.....

NAME (PRINT) .....

SIGNATURE .....

OFFICIAL STAMP

WITNESSES

1 .....

2 .....

DATE: .....

ANNEXURE I SBD 8

## 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?<br>**(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the *audi alteram partem* rule was applied).**<br><br>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 ☐ | No ☐ |
| 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)?<br>**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 ☐ | No ☐ |
| 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 ☐ | No ☐ |
| 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 ☐ | No ☐ |
| 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** |

**ANNEXURE J** **SBD 9**

## CERTIFICATE OF INDEPENDENT BID DETERMINATION

1 This Standard Bidding Document (SBD) must form part of all bids[1] 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.**

**SBD 9**

## CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

_____

(Bid Number and Description)

in response to the invitation for the bid made by:

_____

(Name of Institution)

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

I certify, on behalf of:_____ that:

(Name of Bidder)

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

    (a) has been requested to submit a bid in response to this bid invitation;
    (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
    (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium[3] will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
    (a) prices;
    (b) geographical area where product or service will be rendered (market allocation)
    (c) methods, factors or formulas used to calculate prices;
    (d) the intention or decision to submit or not to submit, a bid;
    (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
    (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

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

| | |
|---|---|
| ..... | ..... |
| Signature | Date |
| ..... | ..... |
| Position | Name of Bidder |

Js914w 2

+27 12 803 6184
+27 12 803 6848
info@lmt.co.za
www.lmt.co.za
286 Maggs St, Waltloo, 0184, Pretoria, South Africa
Box 1578, Brooklyn Square, Pretoria, 0075, South Africa

**ANNEXURE K** **LMT 1**

## COMPANY REGISTRATION REVIEW

LMT manages a supplier database per supplier. For you to be administered on the data base the following information is required, where applicable, supported by copies of relevant documents:

- Comprehensive Company Profile
- Copy of Company Registration
- Copy of SARS Clearance Certificate
- Copy of VAT Registration
- COR39 or CM29
- Bank Detail confirmed either by detail on a letterhead, or by a copy of a cancelled check
- ISO/SABS Certifications (Copies)
- Valid, up to date BBBEE Verification Certificate
- In support of the BBBEE Verification Certificate within the Company Profile highlighting in more detail the following:
  - Ownership
  - Management
  - Employment Equity
- Terms and Conditions

## CENTRAL SUPPLIER DATABASE REGISTRATION

If not registered on the Treasury, Central Supplier Data Base, kindly complete the two stage supplier self-registration process by first creating an account at: **https://secure.csd.gov.za/Account/Register**

Follow the flow diagram on how to register: **https://secure.csd.gov.za/Home/RegistrationProcess**

Any additional queries related to B-BBEE, Tax Clearance or Company Registration on LMT Supplier Database are to be directed to aaliyah@lmt.co.za

**Annexure A**

# DENEL SOC LTD

# STANDARD TERMS AND CONDITIONS OF PROCUREMENT

## 1. INTRODUCTION

This document deals with the Standard Terms and Conditions of Procurement that shall apply in the event of an agreement between Denel and a Supplier for the purchase of Goods and/or Services by Denel.

## 2. SCOPE AND APPLICATION

2.1 These Standard Terms and Conditions of Procurement shall apply to all Purchase Orders placed by Denel.

2.2 The latest issue of the Denel Standard Terms and Conditions of Procurement (this document) shall supersede any other conditions of purchase. In the event that there is conflict, the specific conditions stipulated in the Purchase Order shall take precedence over any such conflicting provisions of the Standard Terms and Conditions of Procurement.

2.3 If any individual term/s of these Standard Terms and Conditions of Procurement cannot be applied for any reason whatsoever, all other terms and conditions will remain unaffected.

## 3. DEFINITIONS AND INTERPRETATION

3.1 In these Standard Terms and Conditions of Procurement, unless inconsistent with or otherwise indicated by the context, the following terms shall have the meaning ascribed to them hereunder:

| | | |
|---|---|---|
| 3.1.1 | *"Advance Payment"* | *means an upfront payment that may be made by Denel to the Supplier* |
| 3.1.2 | *"AS-9100"* | *means the quality management system specific to the Aviation, Space and Defence industries issued by the Americas Aerospace Quality Standards Group (Aaqs) Committee G-14 of the Society of Automotive Engineers ("SAE")* |
| 3.1.3 | *"Background Intellectual Property"* | *means unique Intellectual Property information owned by one of the Parties before the execution of this Agreement and/or developed independently by a Party before the execution of this Agreement* |
| 3.1.4 | *"BBBEE"* | *means Broad Based Black Economic Empowerment as provided for in section 1 of the Broad Based Black Economic Empowerment Act, 53 of 2003 as amended* |
| 3.1.5 | *"Business Day"* | *means each day of the week excluding a Saturday, Sunday and Public Holidays in the Republic of South Africa* |
| 3.1.6 | *"CFE"* | *means Customer Furnished Equipment / Denel and/or tooling and/or material to be incorporated into the* |

| | | |
|---|---|---|
| | | *Deliverable(s) by the Supplier and shall also include all data and/or information reasonably required by the Supplier as set out in the Proposal / Quotation / Contract* |
| 3.1.7 | *"Codes of Good Practice"* | *means the Broad-Based Black Economic Empowerment Codes of Good Practice, as amended from time to time, and issued in terms of Section 9(1) of the Broad Based Black Economic Empowerment Act, 53 of 2003 as amended* |
| 3.1.8 | *"Confidential Information"* | *Shall bear the meaning ascribed to it in clause 20.1* |
| 3.1.9 | *"Customer / Denel"* | *means Denel SOC Ltd and its divisions or the person authorised in writing to represent Denel* |
| 3.1.10 | *"Data"* | *means all information in whatever form and contained in and on various media such as paper, magnetic or electronic media or otherwise, identified either as Deliverables or as data required from Denel / Supplier to execute the Purchase Order* |
| 3.1.11 | *"Deliverable(s) / Milestone"* | *means, inter alia, products, components, systems, sub-systems, parts, hardware, software, documentation, data, services and spares delivered by the Supplier to Denel in terms of the Purchase Order and as further described in the Proposal / Quotation, read together with the Delivery Schedule contained therein* |
| 3.1.12 | *"Delivery Schedule"* | *means the schedule for delivery for the Deliverable(s) or the performance of services in terms of the Purchase Order, as set out in the Proposal / Quotation* |
| 3.1.13 | *"Foreground Intellectual Property"* | *means Intellectual Property developed during the course of a Purchase Order or as a result thereof* |
| 3.1.14 | *"Goods"* | *means work, products, training, technical support, logistic support and any other services to be supplied by the Supplier including Deliverables in terms of the Purchase Order* |
| 3.1.15 | *"Incoterms 2012"* | *means the eight and latest published set of pre-defined commercial terms published by the International Chamber of Commerce (ICC)* |

| | | |
|---|---|---|
| 3.1.16 | *"Inspection Release Certificate"* | *means a document which is prescribed by Denel and signed by an official duly authorised in terms of Denel's Delegation of Authority, indicating acceptance of the Goods and, where prescribed, proof of delivery in terms of the conditions of the Purchase Order* |
| 3.1.17 | *"Intellectual Property"* | *means any intangible asset which can be valued taking the form of any patent applications whether these have been provisionally registered or granted, invention, copyright, trademarks, design rights (whether registered or unregistered), know-how, software design, database rights, rights to data gathered and captured and all other intellectual property of whatever nature developed during the contingency of the Purchase Order and these Standard Terms and Conditions of Procurement or any extension* |
| 3.1.18 | *"Know-How"* | *means all confidential information of whatever nature relating to the intellectual property and its exploitation as well as all other confidential information generally relating to the manufacture, use and sale of relevant products, including technical information, manufacturing techniques and designs, specifications, formulae, systems, processes, information concerning materials, and marketing and business information generally* |
| 3.1.19 | *"ISO9001"* | *means the ISO (International Organisation for Standardisation) requirements of a quality management system and refers to the current version at the time of placement of a Purchase Order by Denel* |
| 3.1.20 | *"Parties"* | *means Denel and the Supplier and "Party" shall be construed accordingly* |
| 3.1.21 | *"Proposal / Quotation"* | *means the document submitted to Denel which contains the offer from the Supplier, together with any annexures thereto, and to which these Standard Terms and Conditions of Procurement are attached and which shall form the basis of the contractual relationship between the Parties* |
| 3.1.22 | *"Purchase Order"* | *means the Order(s) to be placed by Denel on a Supplier in terms of an agreement, not limited to work, equipment, machinery, tools, materials or services* |
| 3.1.23 | *"Purchase Price"* | *means the price(s) quoted by the Supplier and accepted by Denel for the Goods offered or the price(s) agreed upon between the parties in terms of these Standard Terms and Conditions of Procurement and the Purchase Order* |

3.1.24 *"Sub-Contractor"* *means any person or company who is contracted by the Supplier to supply any part of the Deliverables in terms of these Standard Terms and Conditions of Procurement and the Purchase Order*

3.1.25 *"Supplier"* *means the Party with whom the Purchase Order has been placed by Denel and includes the Supplier's successors and permitted assignees*

3.2 Any reference to the singular shall include the plural and vice versa.

3.3 A reference to any gender shall include the other genders.

3.4 Any reference to natural persons shall include legal persons and vice versa.

3.5 The headings of clauses in these Standard Terms and Conditions of Procurement are for reference purposes only and shall not be taken into account in construing the contents thereof.

3.6 If any word or phrase is defined in any clause hereunder, that word or phrase shall bear the same meaning throughout the remainder of these Standard Terms and Conditions of Procurement.

3.7 The true intent and meaning of these Standard Terms and Conditions of Procurement are that the Supplier shall in all respects perform and complete the Purchase Order in a workmanlike and cost-effective manner in accordance with the requirements of the Purchase Order.

3.8 Any reference to any statute, regulation or other legislation shall be a reference to that statute, regulation or other legislation as at date of signature of the Purchase Order, and as amended or substituted from time to time.

## 4. QUALITY, HEALTH, SAFETY AND ENVIRONMENTAL REQUIREMENTS

4.1 The Supplier 's Management System shall be in accordance with the requirements specified in requisite standards, namely ISO 9001 and/or AS-9100, as a minimum, as may be applicable, depending on the scope of supply.

4.2 The Supplier shall ensure that all the Goods supplied comply with agreed quality assurance and other applicable requirements as specified in the Purchase Order.

4.3 In addition to the quality related requirements specified above, suppliers to Denel are required to comply with the ISO 14001 and 18001 Standards pertaining to Environmental and the Health and Safety Standards respectively.

4.4 Insofar as it is a pre-requisite to comply with the Occupational, Health and Safety Act, 1993 as amended, and other relevant pieces of legislation, it is Denel's expectation that the Supplier familiarises itself with all other product related legislative requirements, whether stipulated in the Purchase Order or not.

## 5. PURCHASE ORDER

### 5.1 Acceptance of Purchase Order

5.1.1 A Purchase Order shall be placed after Denel has accepted the Supplier's proposal in writing.

5.1.2 Should there be a paragraph in the Purchase Order, which contradicts the Supplier's proposal or should Denel make a counter-proposal to the Supplier, the Supplier shall within seven (7) days of receipt of the Purchase Order, refer the matter to Denel in writing for a decision before commencing with the execution of the Purchase Order. Should the Supplier not raise an objection within the period stipulated in this paragraph 0, then the Purchase Order shall be considered accepted (including any counter-offer made by Denel) by the Supplier and the Supplier shall absolve Denel from any and all liability resulting from such contradiction.

5.1.3 Acceptance of a Purchase Order implies an undertaking by the Supplier to deliver Goods in terms of the Purchase Order and these Standard Terms and Conditions of Procurement and Supplier warrants that such undertaking shall be fulfilled.

### 5.2 Amendment of Purchase Order

5.2.1 No amendment of the Purchase Order shall be valid or in force unless such amendment has been put in writing and approved by duly authorized representatives of Denel and the relevant Supplier.

5.2.2 Denel reserves the right, during the execution of the Purchase Order, to require the Supplier, by notice in writing, to alter, amend, omit, add to or otherwise vary any of the Goods and/or Services, without invalidating the Purchase Order. The Supplier shall carry out such amendments and is bound by the same applicable conditions as though the said amendments originally formed part of the Purchase Order.

5.2.3 If in the opinion of the Supplier such amendments to the Purchase Order, if carried out, would involve an increase in costs or prevent it from fulfilling any of its obligations or guarantees under the Purchase Order, the Supplier shall notify Denel thereof in writing at least 7 (seven) days before proceeding, giving full details, reasons and implications of the required amendment and Denel shall decide within a reasonable period whether or not the amendments are to be carried out.

### 5.3 Additional charges or increased prices

Unless stipulated to the contrary in the Purchase Order, no additional charges of whatsoever nature shall be accepted by Denel unless the Supplier has obtained Denel's acceptance in writing of such additional charges prior to the execution of the Purchase Order. Failure to obtain such prior approval shall entitle Denel to pay on the basis of the original prices contained in the Purchase Order.

**5.4 Deviations**

The Supplier shall not deviate from the requirements of the Purchase Order in any manner including in respect of samples, patterns, drawings, specifications, processes or procedures or from any approved prototype without the prior written approval of Denel.

**5.5 Purchase Order Number**

The Supplier shall quote the Purchase Order and line number in all correspondence, delivery notes, packing lists, VAT invoices and other documents relating to the Purchase Order, and also on all packaging.

## 6. PURCHASE PRICE

6.1 The Purchase Price, including any Advance Payment, shall be confirmed on the Purchase Order.

6.2 All Purchase Order Prices shall be fixed, firm and not subject to revision, unless otherwise specified in the Purchase Order.

6.3 Prices shall be inclusive of all taxes, exchange rate fluctuations, insurances, packaging, accessories, manuals, appropriate tools, and all other costs incurred by the Supplier in performing the Purchase Order up to, and including Goods' delivery at the precise final location specified by Denel.

6.1 Where the Purchase Order makes provision for payment of the Supplier's actual travelling expenses by Denel, the Supplier shall obtain prior written approval from Denel.

## 7. TERMS OF PAYMENT

**7.1 Delivery of Invoices**

7.1.1 All payments to the Supplier shall be based on the contractually agreed delivery Milestones or upon delivery of the Goods, following verification of compliance by an authorised Denel employee or its agent.

7.1.2 After each Delivery Milestone achievement pursuant to a Purchase Order, the Supplier shall send duplicate invoices established in accordance with all applicable legal and Denel requirements, and which shall be supported by a Certificate of Milestone Achievement / Certificate of Conformance or proof of acceptance by the authorised Denel employees or delegated agent and shall clearly indicate the following information, as applicable:

**7.1.2.1 Denel's Purchase Order number and date;**

**7.1.2.2 Deliverable / Milestone description;**

**7.1.2.3 Deliverable / Milestone price value;**

**7.1.2.4 VAT claimed;**

**7.1.2.5 Advance payment deduction;**

**7.1.2.6 Total amount claimed.**

7.1.3 The Supplier shall clearly state on all invoices whether VAT is applicable. VAT invoices shall be submitted for each delivery in accordance with Value Added Tax Act, 89 of 1991 as amended.

7.1.4 No invoice shall relate to more than one Purchase Order.

7.1.5 Invoices and statements shall be forwarded to the relevant Denel Finance Department.

7.1.6 Denel reserves the right to return any incorrectly issued invoice to the Supplier.

7.1.7 The absence of an express rejection of an invoice shall not constitute acceptance thereof. Payment of an invoice shall not constitute acceptance of any Goods ordered or delivered.

7.1.8 For acceptance of Goods by Denel to be valid same must be express and explicit.

**7.2 Payment Period**

7.2.1 Unless otherwise agreed to, duly issued and undisputed invoices shall be paid thirty (30) days after calendar month-end and after receipt of the Supplier's month-end statement by Denel's relevant Finance Department, provided that the Goods have been received and accepted by Denel. However, Denel shall be entitled to withhold payment if the Supplier fails to meet the requirements of the Purchase Order. In this case the Supplier shall have no claim for interest (even on a portion of the price), penalties or any other compensation.

7.2.2 Any other relevant payment terms agreed upon will be specified in the particular Purchase Order, particularly in instances where payment is linked to delivery milestones or special concessions granted to small enterprises or exempted micro enterprise as defined in the Code of Good Practice ("**EME**").

**7.3 Payment Method**

The preferred method whereby Denel settles a Supplier's invoice is with electronic funds transfer (EFT). It is the responsibility of the Supplier to furnish Denel with its correct banking details on a letterhead signed by the Supplier's bankers. Notification of an EFT transaction will only be sent to the Supplier on request. The onus is on the Supplier to inform Denel of any changes in its banking details and this should be furnished on an original letterhead of the Supplier's bankers.

**NB: No e-mail or fax documents will be accepted as proof of change of bank account details.**

**7.4 Set-off**

Denel is entitled to set-off any amount owing to Denel by the Supplier against any amount owed to the Supplier by Denel. Where the amounts used for such set-off are in different currencies, the rate of exchange applied for converting the amount concerned into the appropriate currency shall be as charged by Denel bankers. In the case of overseas suppliers, this condition will be applied prior to obtaining approval from the South African Reserve Bank.

**8. DELIVERY**

**8.1 Packaging**

8.1.1 Unless specified in the Purchase Order and accompanying documentation, packaging materials and methods will be selected by the Supplier to minimise cost of usage and to meet environmental protection requirements.

8.1.2 Every package delivered against the Purchase Order must be clearly marked by the Supplier and shall:

**8.1.2.1 be clearly marked with Denel's Purchase Order and item number and the Suppliers name.**

**8.1.2.2 contain a packing slip showing the name of the Supplier, Denel's Purchase Order and item number and a detailed listing of the contents of the case.**

**8.1.2.3 be accompanied by a waybill which shall reflect the Supplier's name, Denel's order number and the Goods delivered.**

8.1.3 Unless otherwise agreed to in writing, Goods shall be packed in accordance with the accompanying Packing and Marking Specification so that they will not be damaged or lost during transportation or handling. All items shall be properly marked according to (i) applicable rules, especially in the case of dangerous Goods, if any, (ii) Denel's instructions, or as a minimum, marking shall set out Denel's Purchase Order number, Supplier's identification, item number, place of delivery, item description, weight and quantity, and all markings required for proper delivery and assembly. If necessary, handling procedures shall be defined by the relevant Supplier.

8.1.4 If Denel so requests, the Supplier shall, at its cost, take back all packaging material after delivery.

8.1.5 The Supplier shall be responsible for the packaging of Goods in such a manner as to prevent loss or damage in transit and in compliance with the requirements applicable to the mode of transport concerned. The Supplier shall indemnify Denel against any losses, costs or damages caused by or resulting from faulty, incorrect or inadequate packaging.

8.1.6 Packaging materials or containers, excluding ISO containers, will not be returned to the Supplier except where specifically provided for in the Purchase Order and indicated on the waybills or delivery notes. Where provision is made in the Purchase Order for the return of

the packaging materials or containers, such packaging materials or containers will be returned at the Supplier's risk and expense. Denel shall, on receipt of a claim supported by a copy of a delivery note, be allowed full credit for materials and containers returned to the Supplier or a third party, at prices quoted for such items.

8.1.7 No allowance shall be made for the mass of bags, containers or packaging materials in determining the mass of Goods delivered.

8.1.8 No transported items, which arrive in a damaged condition, shall be accepted and the Supplier shall be responsible for the transport cost to and from its premises.

**8.2 Transportation**

The Supplier undertakes to take all measures necessary to perform proper transportation of the Goods by all appropriate means and using all appropriate equipment and accessories, with the assistance of competent and solvent agents or subcontractors where necessary. The Supplier shall organise transportation of the Goods to the place of Delivery in a manner designed to avoid damage or loss to the Goods, and so as to avoid difficulties in unloading the Goods at Denel's place of delivery.

**8.3 Technical Documentation - Operating and Maintenance Manuals**

Where so required, the Supplier shall deliver to Denel, at such times as may be agreed or at the latest, upon delivery of the Goods, all technical documentation relating to the Goods, such as operating and maintenance manuals, training manuals, drawings, technical data sheets, product safety sheets, inspection certificates, certificates of conformity and any other supporting documentation. If not otherwise specified in the Purchase Order, the delivery of software or of Goods including software will include, for maintenance and/or adaptability reasons, all source and object codes relating to it. Such technical documentation or any special tools in relation to Purchase Orders remain the property of Denel and shall be considered an integral part of Goods in the meaning of these Standard Terms and Conditions of Procurement.

**8.4 Before Delivery**

8.4.1 The Supplier shall from time to time and where applicable and relevant, as determined in the Purchase Order, furnish Denel with a descriptive statement, in such form as may be required by Denel, of its planning for the execution of the Purchase Order and of the time when, and the order in which it is proposed that the various elements of the Purchase Order are to be executed: Provided that such statement shall not affect, prejudice or be deemed to have amended the Purchase Order or any of Denel's rights in terms thereof. In addition, the Supplier shall supply periodic progress reports as detailed in the Purchase Order.

8.4.2 The Supplier shall proceed with the activities required for the execution of the Purchase Order at such a rate as to ensure the completion of each part of the Purchase Order on or before the contractual delivery date. Failure by the Supplier to comply herewith shall entitle Denel, without prejudice to or waiver of its rights under the provisions of paragraph 8.8, to call on the Supplier, it the Supplier's cost, to take such corrective action as may reasonably be required by Denel.

8.4.3 The Supplier shall, when so requested in writing, submit to Denel written reports giving full details of the work carried out, including by its Subcontractors, in connection with the Purchase Order, the total quantities of Goods delivered and any other information as may be reasonably requested. Such reports shall be for specified periods and shall contain information as stipulated by Denel.

8.4.4 Denel reserves the right to verify the progress and proper performance of the Purchase Order and to conduct any quality investigations and testing it deems advisable. The Supplier shall provide Denel and its representatives free access to the Supplier's workshops at all times.

8.4.5 Denel shall be entitled to request the Supplier to appoint a representative at a particular place where work is or will be performed for Denel, or to provide the Goods as may be required by Denel in terms of the Purchase Order.

8.4.6 The Supplier shall inspect Goods for compliance with Purchase Order specifications, quality, weight, and physical dimensions, as well as for any damage to the Goods or their packaging.

8.4.7 The Supplier is responsible for the integrity and for delivery of the correct quantities.

8.4.8 If the Supplier requires the use of Denel's lifting equipment or employees at the place of delivery, Denel will require at least 24 hours' notice and their use shall be at the Supplier's sole risk.

**8.5 Inspection and Acceptance**

8.5.1 Where an Inspection Release Certificate is required as per Purchase order, Denel shall be entitled to subject such Inspection Release Certificate to:

**8.5.1.1 written confirmation (certificate of compliance) by the Supplier that the Goods meet the requirements of the Purchase Order in every respect; and/or**

**8.5.1.2 an audit to determine the effectiveness of the Supplier's control of its Subcontractors' activities; and/or**

**8.5.1.3 observation of the Supplier's activities (such observation and/or audit shall extend to Subcontractors where appropriate); and/or**

**8.5.1.4 inspection or testing of the Goods on a continuous or statistical basis.**

8.5.2 Where the Purchase Order calls for inspection of the Goods by a person or body other than Denel, and the Goods are rejected by such inspecting person or body on reasonable grounds, the Supplier shall bear the cost of such inspection. Where Denel is the acceptance authority, Denel reserves the right to recover its actual costs from the Supplier for all subsequent inspections where the Goods are rejected more than once.

8.5.3 Acceptance of Goods is conditional to verification by Denel's delegated person.

8.5.4 Unless otherwise agreed in writing and signed by both parties, the Supplier shall give at least 14 (fourteen) days advance notice in writing to the authorised representative of Denel that the Deliverables are ready for final inspection and acceptance.

8.5.5 Denel may adopt any means necessary to ensure that the correct Goods have been supplied or that the correct materials are being used/have been used in compliance with the Purchase Order. Any equipment necessary for inspection at the Supplier's premises shall be furnished by the Supplier at its own cost.

8.5.6 Denel may, at its sole discretion, opt to inspect the Goods at the Supplier's premises using whatever means it deems fit or as agreed upon between it and the Supplier. This inspection shall not guarantee acceptance of the Goods, which remain subject to formal acceptance after delivery; and shall not constitute automatic acceptance or relieve the Supplier of its obligation in any way whatsoever. The Supplier remains responsible for ensuring that the items conform to the requirements as defined in the Purchase Order and other accompanying documentation that may not be stipulated in the Purchase Order.

8.5.7 Denel shall have a reasonable time after receipt of the Goods and before payment to inspect the Goods so as to ensure conformity with the specifications of the Purchase Order, and Goods received prior to inspection shall not be deemed accepted until Denel has run an adequate test to determine whether the Goods indeed conform to such specifications.

8.5.8 The use of a sample of the Goods for the purposes of such inspection shall not constitute an acceptance of the Goods by Denel.

8.5.9 Final acceptance shall not be conclusive with respect to latent defects, fraud or any other gross mistakes on the part of the Supplier.

**8.6 Date and Venue**

8.6.1 Time of delivery by the Supplier as specified in the Purchase Order is a specific condition of the Purchase Order and of the essence thereof.

8.6.2 All Goods and other items which are to be sent to Denel shall be delivered to the address indicated in the Purchase Order or to any other address subsequently notified to the Supplier in writing by Denel.

8.6.3 Denel reserves the right from time to time to amend the delivery date originally specified in the Purchase Order provided that the delivery period shall not be shortened without the written consent of the Supplier.

8.6.4 Receipt of Goods by Denel shall take place during Working Hours. Confirmation of receipt of Goods shall in no way imply acceptance of the Goods.

**8.7 Security Measures**

8.7.1 The Supplier shall adhere to all security requirements as may be stipulated by Denel from time to time.

8.7.2 Before being permitted to enter Denel's premises, the Supplier shall produce a delivery note specifying the Goods and quantity to be delivered according to a valid Purchase Order.

8.7.3 It is a condition of the Purchase Order that the Supplier's personnel must be in possession of a state-issued identity document when delivering or collecting Goods which necessitates passing through any security gate to gain access to Denel's premises.

8.7.4 Denel shall not be responsible for any costs incurred by the Supplier due to non -compliance with 0, and any delays in delivery or collection of Goods caused by such non-compliance and resulting in a delay or delays in the performance of the Supplier's obligations, shall be deemed to be a breach of the terms and conditions to the Purchase Order and of these Standard Terms and Conditions of Procurement.

8.7.5 The Supplier hereby further grants permission to the security officers at Denel to search the Supplier's or its agent's personnel as well as their vehicles and other articles in their possession on entering and exiting from, or during their presence on the premises of Denel.

8.7.6 In the event of the Supplier entering the property of Denel, the Supplier shall comply with the safety prescriptions set by Denel. The Supplier shall ensure that such prescriptions are adhered to for the protection of life and property anywhere on Denel's property. And the Supplier shall be liable to Denel for any injury or damage to any person or to any property of Denel, caused by or incidental to, the negligence, default of the Supplier.

8.7.7 Denel shall not be liable for any loss, damage or injury sustained by any Supplier and/or its employees or subcontractors and/or their employees while on the premises, arising from or caused by any activity conducted by Denel and/or its employees.

**8.8 Late Deliveries and Quantities**

8.8.1 All late deliveries shall be deemed a breach of contract.

8.8.2 No over or under supplies shall be accepted unless Denel is informed, in writing in good time prior to dispatch of the items, of the quantity involved and Denel has agreed in writing that the under or over supplies will be accepted. Over supplies delivered without the written approval of Denel will not be accepted or be paid for. Should Denel after the fact discover that Goods have been oversupplied, it reserves the right to return the Goods or, at its choice, store them, at the Supplier's costs and risks. Under supplied orders will only be finalised once approval from Denel's user has been received.

8.8.3 Denel reserves the right to cancel and annul the Purchase Order entirely or partly without reference to the Supplier irrespective of the period which may have elapsed from the delivery date stipulated on the Purchase Order to the date of such cancellation, free of penalty and without prejudice to any other rights under the Purchase Order if Goods covered by the Purchase Order are not delivered prior to or on the delivery date stipulated in the Purchase Order, in which event Denel shall in its own discretion be entitled to recover any and all losses or damages suffered.

8.8.4 If the Purchase Order is not performed in the specified time, Denel is entitled to cancel the Purchase Order and to claim damages from the Supplier and/or to accept delivery and withhold payment from the Supplier as liquidated damages (as set out in 0 below), without any requirement that Denel give prior notification of default.

8.8.5 All late deliveries will be subject to, but not limited to a minimum of 2% (two percent) of Purchase Order value, per day in delay, including Sundays and public holidays, that such Goods are delayed, up to a maximum of 20% (twenty percent) of the Purchase Order value, which shall constitute liquidated damages. Furthermore, Denel reserves the right to apply team and staff standing time charges including any consequential losses, together with penalties imposed on Denel by its client, as a result of any late delivery by the Supplier. The liability imposed upon the Supplier in terms of this clause shall, to the extent permitted by law, be deemed to be in addition to and not in substitution of any other remedy at Denel's disposal.

8.8.6 As soon as it appears to the Supplier that the dispatch of the Goods covered by the Purchase Order for any reason will be delayed, so that the stated delivery date requirements cannot or are unlikely to be fulfilled, the Supplier shall immediately notify Denel in writing and provide all information concerning the reason and/or extent as well as details relating to the efforts the Supplier intends to make in order to avoid delay or expedite delivery. The Supplier shall be obliged to obtain written confirmation from Denel that the Goods are still required. Failing such confirmation Denel shall be entitled to cancel the agreement constituted by acceptance of the Purchase Order and any costs arising out of the return of the Goods by Denel on the account of late delivery shall be for the Supplier's account.

8.8.7 Denel shall be entitled to retain and apply, as a set-off, as stipulated in 0, any amount which may be due on the Purchase Order to the Supplier or such part thereof as may be necessary for the payment of the cost of making good the aforesaid delay by the Supplier. Should the cost of associated with the delay exceed the balance due to the Supplier, the Supplier shall be liable to pay Denel the amount in excess of the approved order.

## 9. STANDARD OR SPECIFIED DOCUMENTATION

9.1 A complete listing of all data requirements, as applicable, shall be recorded and updated in annexures to the Purchase Order.

9.2 All documents furnished by Denel to the Supplier shall be treated as controlled documents with allocated reference numbers as per the relevant configuration management process.

9.3 Proof of compliance documentation needs to be delivered with Goods or as specified in the Purchase Order/ contract - e.g, Test and Measurement reports; Certificates of Conformance (CoCs) as issued by the original equipment manufacturer; and completed and signed off Process Planning Sheets (PPSs) etc. This documentation may form an integral part of the deliverables to Denel and could be required for processing of payments. Failure to comply could lead to rejection of the specific Goods.

## 10. ACCEPTANCE/REJECTION OF GOODS

10.1 Denel reserves the right, to reject the Goods or any part thereof, if such Goods do not comply with the quality standards/specifications, described or referenced in the Purchase Order, even if the Goods were previously inspected at a Supplier's premises.

10.2 Denel may accept, without prejudice, a portion of the Goods and, at its option, have the Supplier rework, repair or replace any nonconforming portion of the Goods, at the Supplier's expense. Alternatively, if payment has already been effected for whatever reason, and at the discretion of Denel, the Supplier shall refund Denel all payments already made, or issue a credit note in favour of Denel.

10.3 Should rework be required, it shall be at the Supplier's own cost, including any cost related to removal or delivery or risk of such rejected items. Denel shall at its discretion decide on the disposition of rejected items.

10.4 Denel further reserves the right to recover any cost incurred in respect of effort of inspection and consideration of acceptance of non-compliant Goods delivered.

10.5 After 15 days following notification of rejection, the Supplier shall be liable to pay warehouse storage charges for the Goods.

## 11. PASSING OF OWNERSHIP

11.1 Ownership of and responsibility for the Goods shall remain with the Supplier until the Goods have been formally inspected and accepted by Denel at the point of delivery as stated in the Purchase Order.

11.2 Subject to the provisions of paragraph 10, risk of loss or damage of the Goods shall pass to Denel upon delivery at Denel's specified premises, unless otherwise specified in the Purchase Order by way of an appropriate Incoterm in accordance with 'Incoterms® 2012'.

## 12. WARRANTY, DEFECTIVE GOODS AND LOGISTICAL SUPPORT

12.1 The Supplier warrants that the supplied Goods are free from defects in design, material and workmanship and that the Goods satisfactorily fulfil the performance requirements stipulated by Denel.

12.2 The Supplier warrants further that the said Goods meet all applicable statutory requirements and standards, especially, but not limited to, those relating to the environment, safety and employment or labour laws and regulations (collectively, 'the Supplier's Warranty') and warrants the Goods for a period of twenty four (24) months after delivery or as otherwise specified and mutually agreed upon, excluding fair wear and tear.

12.3 If at any time during the warranty period the Goods are found to be defective, the Supplier shall immediately, upon receipt of notification from Denel, remedy the said defect free of charge to Denel by delivery or replacement of the said Goods/Services. Should the Supplier delay replacement, Denel may have the Goods replaced at the Supplier's expense. The warranty period of replaced Goods shall be the same as for the original Goods. The foregoing warranty shall apply unless specifically excluded.

12.4 Neither approval by Denel of the Supplier's design nor acceptance of the Goods shall absolve the Supplier from liability for damages resulting from the defective Goods and/or unsatisfactory performance thereof.

12.5 Any representations or warranties included in Supplier's catalogues, brochures, sales literature and quality systems shall be binding on the Supplier.

12.6 The Supplier shall be liable for any direct, indirect, incidental, special and consequential losses and damages, including loss of profits, incurred by Denel as a result of any delays in delivery, any defects in the Goods or any other deficiencies in the Supplier's performance.

12.7 The Supplier agrees that the warranties provided (and such other rights accruing to Denel) under this paragraph may be assigned, following an objective assessment of future impact on Denel's business and upon written notice to the Supplier, to any of Denel's affiliates or subsidiaries.

**12.8 Logistical support**

Where capital equipment or accessories are purchased, the Supplier shall ensure that sufficient spares are available for a minimum period of 10 (ten) years or as specified in the relevant contract or Purchase Order after receipt of the equipment by Denel. The Supplier further warrants supplying the Goods, and parts or components thereof for repair, maintenance or extensions, through the whole period of the Purchase Order, including the warranty period, and further warrants that their production or distribution will not be halted. If the Supplier decides to stop production of all or part of the Goods after the end date of the Purchase Order, the Supplier shall inform Denel of this fact at least one year in advance or as soon as the Supplier becomes aware, so that Denel may take the necessary corrective measures.

**13. Export / Import Licence or Permit**

13.1 The Supplier shall notify Denel at least 30 days prior to shipment of controlled Goods to enable Denel to apply for an import permit timeously.

13.2 Denel shall not be liable for any losses suffered or expenditure incurred by the Supplier or any other person (including losses suffered or expenditure incurred in respect of the manufacture, supply, transport or delivery of supplies), provided it was responsible for applying for such a permit in the first instance, due to the government of the country of origin or any other government failing or refusing to grant, on the grounds of existing legislation, an export license or permit, or cancelling an export permit or license that has been issued. In such an event, Denel shall be entitled to cancel the Purchase Order without any cost implication. All payments already effected shall be repaid to Denel.

13.3 The provisions of paragraph 13.2 shall apply mutatis mutandis where the South African Government refuses to issue an export or import permit or cancels an export or import permit that has been issued.

13.4 The Supplier shall ensure that the provisions of any Act or Regulations prohibiting the importation into the Republic of South Africa of certain insects, fungi, diseases or pests by way of certain types of packing materials and containers are complied with, and that any such guarantee or certificate that may be required in terms of such Act or Regulations is obtained and provided at its own expense. Where the Supplier fails to comply with the provisions of such Act(s) or Regulations and the consignments are as a result seized, destroyed or delayed at the port of entry or elsewhere in South Africa, the Supplier shall be liable for any delays, demurrage or any other loss arising from such seizure, destruction or delay it being recoded that, in the event of a delay, the provisions of 8.8.5.shall apply.

13.5 All Goods to be imported shall be imported in the name of the Supplier/Subcontractor and be re-consigned by it to the delivery address stated in the Purchase Order.

**14. Controlled Defence Supplies**

14.1 Controlled defence supplies are any one or a combination of the following:

14.1.1 United States (US) origin items controlled by US legislation, as described in International Traffic in Arms Regulations (ITAR).

14.1.2 Other foreign origin items controlled by the applicable foreign countries.

14.1.3 South African government non-proliferation controlled items.

14.1.4 South African government conventional arms controlled items.

14.2 Denel must be informed in writing before commencement of performance pursuant to the Purchase Order, and Denel reserves the right to cancel the Purchase Order at no cost to Denel if any article, technology or Proprietary Information is of US origin. A copy of such Export Permit, License or Royalties payable, must be forwarded with the delivery note and Invoice to Denel. If the Supplier fails to inform Denel accordingly, or to forward a copy of such Export Permit, License or Royalties, the Supplier shall be liable for all claims in respect of the use of any article, technology or Proprietary Information and the Supplier indemnifies Denel and holds it harmless against any claims arising or legal cost and losses resulting from the infringement or alleged infringement by or on behalf of Denel.

14.3 If the scope of supply includes items, technical data or services subject to arms control legislation of the Republic of South Africa (RSA) or that are subject to end-user restrictions by the US government or any other foreign government, the Supplier shall, upon delivery, supply Denel with all relevant documentation. The documentation in question forms an integral part of the deliverables to Denel for processing of any payment.

**15. Special Tooling, Jigs and Fixtures or Free-issued Materials**

15.1 Where special tooling, jigs and/or fixtures or any material (whether raw or otherwise) is free issued or is paid for by Denel and utilised by a Supplier in the manufacturing process of a custom-manufactured item, these items remain the Sole Property of Denel, irrespective of storage location. When a Supplier is required to store these items, it will ensure suitable preservation and storage of such items for future use.

15.2 The onus of establishing that the cost of such equipment has not been included in the price shall remain with the Supplier.

15.3 The Supplier shall periodically, at least annually, supply Denel with a certified inventory listing of all Tools, Jigs and fixtures and/or materials in their possession, belonging to Denel. The inventory listing shall include a report confirming the condition and estimated replacement value thereof.

15.4 The Supplier shall notify Denel in writing of any anticipated cost to preserve, maintain or service such Tools, Jigs or fixtures and materials prior to executing any maintenance.

15.5 The Supplier shall be held responsible for these assets and shall be liable for their replacement in the event of loss or damage. The Supplier shall ensure that adequate and all risk insurance cover is taken with a reputable insurance company. Denel shall be entitled to request proof of such insurance.

15.6 The Supplier shall ensure that the said equipment is delivered in good order at the premises of Denel, properly marked with The Order and the relevant code number as supplied by Denel for the finished items.

15.7 Where the Purchase Order is carried out on premises rented by the Supplier, the landlord shall be informed beforehand by the Supplier of items on the premises that are Denel's property, and the Supplier shall submit written proof to Denel that such notice has been received by the landlord.

**16. Handling of Denel -Furnished Equipment**

16.1 Denel shall at all times endeavour to make available, at agreed times, all identified products/ equipment to the Supplier should such a need arise, in pursuant of the Purchase Order. The onus is on the Supplier to ensure that proper or specified handling procedures are followed to prevent damage and / or degradation to the quality of the products. Any damage or degradation of the product in the custody of the Supplier shall be for the account of the Supplier unless the Supplier can provide proof that all reasonable and specified handling procedures were followed.

16.2 The Supplier shall not alter the design of any Denel furnished items without the written authority of Denel. In the case that the Supplier has any doubt about the design suitability of any CFE item, or has proposals for design changes, the Supplier shall advise Denel accordingly at the earliest opportunity. The Supplier shall ensure that the design of the installation using CFE is in accordance with the specific requirements of such equipment. Should the CFE be defective in any way, it shall be the obligation of Denel to provide a rectified CFE to the Supplier.

16.3 Denel shall not be liable for any CFE that is defective, or which was modified without the prior written authority and approval of Denel. Any direct and/or consequential costs incurred to rectify the defect shall be for the account of the Supplier.

16.3.1 The CFE may not be transferred to any third party without the written permission of the relevant Denel Authorised Representative.

16.3.2 The CFE, in case of controlled items, together with the applicable Transfer of Ownership Certificate, shall be returned to Denel.

16.4 When Denel issues raw material and/or parts to a manufacturer for the purpose of manufacturing a required item, and the manufacturer scraps the manufactured item due to its error, the cost of the reissued material and/or parts will be for the manufacturer's account.

## 17. Handling of Explosives

17.1 To ensure that explosives are safe and of a good quality when delivered to Denel, the Supplier shall supply the following documentation with every consignment of explosives or any item that contains any explosives:

17.1.1 A copy of the issue voucher, consignment note and other official documents relative to the dispatch of the explosives.

17.1.2 The manufacturer's dispatch note.

17.1.3 Official test results certified by the relevant Quality Department.

17.1.4 Certificate to confirm date of manufacture.

17.1.5 An official document from the manufacturer, stating that the explosives are safe for handling, storage and transport, and indicating the expected shelf-life when stored in an explosives magazine.

17.1.6 Material Safety Data Sheet.

17.1.7 Explosives UN Code and class certification.

17.1.8 If applicable, an Armscor K225 issued by the Armscor Quality Representative.

## 18. HAZARDOUS CHEMICAL SUBSTANCES

The Supplier of hazardous chemical substances shall, in accordance with the Occupational Health and Safety Act, 85 of 1993 as amended, provide a Material Safety Data Sheet containing sufficient information for the safe handling and storage of hazardous materials and safe disposal of waste generated as specified in Regulation 7(1) of the General Administrative Regulations of 1994, as may be amended, or any such requirements as may be required and shall generally comply with all laws relating to the handling, storage and transportation of hazardous substances.

To the fullest extent permitted by law, the Supplier shall indemnify, defend and hold harmless Denel and its officers, directors, employees, agents, affiliates, and representatives, from and against any and all claims, demands, suits, liabilities, fines, injuries (personal or bodily), property damage, causes of action, losses, costs, expenses, damages or penalties, including, without limitation, court costs and reasonable attorneys' fees, arising, directly or indirectly, from the Suppliers' handling and storage of any hazardous materials prior to such substances being accepted by Denel in terms of this Agreement.

## 19. ACCESS TO AND USE OF SUPPLIER'S FACILITIES

19.1 Denel, its authorised contractors or agents shall be granted access to the Supplier's facilities at all reasonable times. The Supplier shall further ensure that Denel, its authorised contractors or agents are granted access to the facilities of the Supplier's Subcontractors if required.

19.2 The Supplier shall allow the use of its facilities and shall give such assistance as necessary to enable Denel, its contractors or agents or their employees to carry out any work or task in connection with the Purchase Order.

## 20. CONFIDENTIALITY

20.1 Confidential Information is information of a confidential or proprietary nature in whatever form, and without limiting the generality of the term, shall include:

20.1.1 any of the following information and/or material disclosed or communicated (before or after the conclusion of the Purchase Order) by Denel to the Supplier in connection with or arising out of the relationship:

**20.1.1.1 technical, scientific, commercial, financial or market information, know-how or trade secrets;**

**20.1.1.2 data concerning business relationships, processes, services, personnel, architecture, information, demonstrations, or machinery;**

**20.1.1.3 plans, designs, drawings, functional and technical requirements and specifications;**

**20.1.1.4 Information relating to the Denel's strategic objectives and planning for both its existing and future information technology needs;**

**20.1.1.5 information contained in or constituting Denel's hardware or software, including third party products, and associated material documentation;**

**20.1.1.6 intellectual property that is proprietary to Denel or that is proprietary to a third party and in respect of which Denel has rights of use or possession;**

**20.1.1.7 information concerning faults or defects in Denel's systems, hardware and/or software or the incidence of such faults or effects;**

**20.1.1.8 agreements to which Denel is a party;**

**20.1.1.9 all other information in whatever form, whether or not subject to or protected by common law or statutory laws relating to copyright, patent, trademarks, registered or unregistered, or otherwise.**

20.1.2 Information regarding the relationship, the fact that discussions are occurring concerning the relationship, any of the terms and conditions applicable to or being discussed by the Parties in relation to the relationship or the existence of the Purchase Order and these Standard Terms and Conditions of Procurement.

20.1.3 Information which by its nature or content is identifiable as confidential and/or proprietary to Denel and/or any third party in relation to or arising out of the relationship, or which although not directly related to the relationship is nevertheless disclosed as a result of or in connection with the Parties' discussions of the relationship.

20.2 The Purchase Order and all documents and the like supplied by Denel shall be strictly confidential and no details thereof shall be disclosed without the prior written consent of Denel. The Supplier is obliged to keep and protect this confidentiality and it should not disclose these details under any circumstances to anyone unless permission is granted by authorized representatives of Denel. The Supplier shall establish rules to secure the confidentiality.

20.3 During the execution of the Purchase Order governed by these Standard Terms and Conditions of Procurement, as well as for an indefinite period thereafter, the Supplier hereby covenants that the proprietary information shall:

20.3.1 Be protected and kept in strict confidence by the Supplier, with the same degree of precaution and safeguards utilised in treating its confidential information of like importance, but in no case any less than reasonable care;

20.3.2 Be only disclosed to and used by those persons within the Supplier's organisation who have a need to know, and solely for the purpose specified in the Purchase Order and these Standard Terms and Conditions of Procurement;

20.3.3 Not be used in whole or in part for any purpose other than the purpose of the Purchase Order and these Standard Terms and Conditions of Procurement, without the prior written authorisation of Denel;

20.3.4 Neither be disclosed nor caused to be disclosed, whether directly or indirectly, to any third party or persons other than those mentioned in paragraph 0, which for the avoidance of doubt, precludes disclosure to the Supplier's parent company as well as any of its affiliates, including other divisions and/or subsidiaries of the said parent company, without having been specifically authorised in writing by Denel;

20.3.5 Neither be copied, nor otherwise reproduced or duplicated in whole or in part where such copying, reproduction or duplication has not been specifically authorized in writing by Denel.

20.4 The Supplier is responsible for establishing an effective system to keep the confidentiality by applying observation measures on its employees and the employees of its subcontractors.

20.5 If Denel discovers that the Supplier has disclosed any Confidential Information, then Denel reserves the right to stop the Supplier from executing any Purchase Order without justification if security circumstances demand so, and the Supplier shall be liable for any related damages and/or costs.

20.6 Any information supplied by Denel shall remain the sole property of Denel and shall, on termination or expiry of the Purchase Order and these Standard Terms and Conditions of Procurement on demand by Denel, be returned or disposed of as prescribed by Denel.

20.7 After the termination of these Standard Terms and Conditions of Procurement and expiry of the Purchase Order, the Supplier shall not make any use of any of the Confidential Information in any manner whatsoever, nor shall it in any manner whatsoever disclose such confidential information to any other person.

## 21. DENEL'S INTELLECTUAL PROPERTY RIGHTS

21.1 The Supplier acknowledges Denel's sole and exclusive ownership of and/or rights in and to Denel's Intellectual Property and undertakes not to, at any time or in any manner, contest the validity of Denel's exclusive ownership of and/or rights, whether now existing or hereinafter acquired.

21.2 The Supplier acknowledges Denel's role and that the Supplier has had no part in the creation or development of, no prior knowledge of, and has no rights to or claims on any elements of Denel's rights to Denel's Intellectual Property.

21.3 Where the Purchase Order calls for the design or development of an item, the intellectual property rights arising from such design or development, including but not limited to patents, copyright, designs and know-how, whether registerable or not, as well as any rights which

may in future arise in respect of all improvements thereto, shall vest in Denel, and only Denel shall have the right to recover royalties, or to apply for the registration of patents, trademarks and/or designs relating to any new device, process, machinery, equipment, etc. which may be developed in the execution of the Purchase Order. The Supplier undertakes to honour Denel's intellectual property rights and all future rights by, inter alia, keeping the know-how and all undisclosed or unpublished material confidential. The Supplier furthermore undertakes not to use, apply, sell or in any way obtain any benefit from the intellectual property rights or the know-how, directly or indirectly, either by itself or in association with any person, otherwise than in accordance with the terms of the Purchase Order.

21.4 The Supplier acknowledges and agrees that Denel is entitled to use the intellectual property rights in any manner whatsoever, or to restrict or prohibit the use thereof.

21.5 The Supplier accepts that, upon termination of the Purchase Order for whatever reason, it shall not have the right to use or make available the intellectual property rights relating to the items, and that all authorisations granted in terms of the Purchase Order shall be terminated. In this regard the Supplier undertakes to immediately hand over to Denel on request all documents, data packs, drawings and technical data, in any medium whatsoever, relating to the intellectual property rights which came into existence during the execution of the Purchase Order.

21.6 The provisions of this paragraph shall remain in force, notwithstanding the termination of the Purchase Order for whatever reason.

21.7 The Supplier shall, in carrying out the Purchase Order, report to Denel on any manufacturing or testing apparatus or process used or developed, and shall furnish full details thereof.

21.8 Should the Supplier develop or design any variation, modification or improvement to Denel's Background Intellectual Property during the execution of the Purchase Order, it shall promptly notify Denel in writing and furnish full details thereof. All rights in respect of such variations, modifications or improvements shall vest in Denel. The Supplier shall, when so requested by Denel, assist in bringing about the registration of such variation, modification or improvement in Denel's name or that of any person as may be stipulated by Denel.

21.9 The Supplier shall be obliged to include the provisions of paragraphs 0 to 21. 8 mutatis mutandis in any contract with a subcontractor, in such a way that any rights mentioned in paragraphs 0 to 21.8 shall irrevocably vest in Denel and be directly enforceable against the Subcontractor by Denel.

21.10 The Supplier shall, immediately on becoming aware thereof, inform Denel both in writing and verbally of any infringements or apparent infringements or challenge or threat to Denel's Intellectual Property by any person together with all parties thereto which are known to the Supplier, and undertakes to assist Denel fully in taking such action as Denel deems appropriate.

21.11 The Supplier shall have no claim of whatsoever nature against Denel arising from or flowing from any damages suffered by the Supplier as a result of any patent or trade mark relating to any of the Goods sold being infringed, cancelled, breached or otherwise set aside or declared invalid.

## 22. LIABILITY FOR ROYALTIES

The Supplier shall, where applicable, pay all royalties and expenses and be liable for all claims in respect of the use of intellectual property rights for or in connection with any article or the use of any article supplied or used under the Purchase Order, and shall indemnify Denel against any claims arising or legal costs and losses resulting from the infringement or the alleged infringement of such rights.

## 23. LIMITATION OF LIABILITY AND INDEMNITY

The Supplier shall indemnify, hold harmless and defend Denel, its agents, its contractors and employees, from and against all claims, liabilities, damages, losses and expenses, including attorneys' fees on the scale as between attorney and own client, arising out of or in any way connected with the Goods provided rendered under the Purchase Order, including, without limitation, any claim by a third party against Denel alleging that the Goods provided under the Purchase Order and these Standard Terms and Conditions of Procurement infringe a patent, copyright, trademark, trade secret or other proprietary right of a third party, whether such are provided alone or in combination with other products, software or processes.

## 24. REMEDIES FOR INCORRECT CLASSIFICATION OR FALSE CLAIMS

24.1 Where a Purchase Order has been awarded to a Supplier by virtue of a statement made by the Supplier to the effect that the Goods offered by it are entitled to a certain classification or preference for local production, manufacture or assembly, or by virtue of a statement made by it that it is subject to Denel's preferential procurement policy, and such preference is granted by Denel, and it is subsequently shown to the satisfaction of Denel that such statement was false, Denel may, in addition to any other remedy it may have –

24.1.1 summarily cancel the Purchase Order and recover from the Supplier any costs, losses or damages incurred or suffered by Denel as a result of the award of the Purchase Order to the Supplier; or

24.1.2 allow the Supplier to proceed with the Purchase Order and recover from the Supplier as pre-estimated damages an amount calculated by Denel to be fair compensation to Denel. The compensation and penalty, if applicable, may be deducted from the Price.

## 25. APPROVAL OF SUBCONTRACTORS

25.1 If so requested by Denel, the Supplier shall timeously and in writing submit to Denel for its approval the names of the proposed subcontractors. The Supplier may not enter into any subcontract for the execution of the Purchase Order or any part thereof, or for the manufacture or supply of materials to be used in the execution of the Purchase Order before such approval.

25.2 If the Supplier is authorised to sub-contract all or part of their obligations to third parties in terms of 25.1, such sub-contracting shall be at its sole expense and under its sole responsibility. The Supplier shall inform all sub-contractors of the provisions of these Standard Terms and Conditions of Procurement as well as those of the Purchase Order, and shall provide all information regarding Denel's requirements, especially in respect of applicable safety rules. Denel reserves the right to refuse any of the Supplier's sub-contractors that are not compliant with these conditions.

25.3 The Supplier shall not be released from its liabilities or obligations under the Purchase Order by any arrangement whatsoever with its Subcontractors in the event of the latter breaching any of the provisions of the Purchase Order or of these Standard Terms and Conditions of Procurement.

25.4 The Supplier shall keep specified records of its subcontractors and their capabilities and shall furnish such as may reasonably be required by Denel.

## 26. PROHIBITION OF EMPLOYMENT

The Supplier shall not, for the duration of the Purchase Order and for a period of at least 12 (twelve) months after completion thereof, employ any employee or former employee of Denel who is or was in any way involved with the Purchase Order.

## 27. BREACH OF CONTRACT AND DAMAGES

27.1 If, subject to the provisions of paragraph 0

27.1.1 the time has expired within which the Purchase Order or any item thereof should have been completed; or

27.1.2 the Supplier refuses or fails to carry out the Purchase Order in accordance with Denel's instructions, or is, in the reasonable opinion of Denel, not making such progress with the Purchase Order to ensure completion on the contractual delivery date, or in the event of any other failure or default of the Supplier, and Denel has given notice in writing to the Supplier to remedy the failure or default and, the Supplier has failed to comply with the notice within 14 (fourteen) days after the date thereof; or

27.1.3 the Supplier goes into provisional or final sequestration/liquidation or is placed under business rescue; or

27.1.4 the Supplier goes into voluntary liquidation or, if he is an individual, who voluntarily surrenders his estate; or

27.1.5 the relationship of the Supplier is dissolved, in the case of a partnership; or

27.1.6 the Supplier makes an offer of compromise or composition to its creditors, or attempts to do so; or

27.1.7 the Supplier fails to take any steps to have a judgement set aside within 7 (seven) days after a judgement / sentence was passed against it; or

27.1.8 the Supplier permits the attachment of any of its assets and fails to uplift such attachment within 7 (seven) days after the date of attachment; or

27.1.9 the Supplier, where he is a natural person, no longer qualifies to be director of a company in terms of the provisions of the Companies Act, 71 of 2008; or

27.1.10 should there be any change as regards:

**27.1.10.1 the controlling shareholding in the Supplier, where the Supplier is a Company; or**

**27.1.10.2 the members, where the Supplier is a Close Corporation; or**

**27.1.10.3 the Supplier's form of business.**

27.2 Denel may,

27.2.1 in any such event, without prejudice to any of its rights under the Purchase Order, allow the Supplier to proceed with the Purchase Order in whole or in part, or cancel the Purchase Order in whole or in part and without incurring any liability for resultant damages which the Supplier may suffer and Denel shall under no circumstances be responsible for direct, indirect, special, incidental or consequential damages or loss of profits arising from the cancellation or annulment of the Purchase Order or

27.2.2 Cancel the Purchase Order in whole or in part and direct the Supplier by notice in writing to suspend or discontinue work in connection with the Purchase Order in whole or in part on the day stated in the notice, and may itself execute or complete the Purchase Order or conclude a contract with any other person for the execution or completion of the Purchase Order or procure other Goods in substitution for those neglected to be manufactured or supplied or for those rejected, and Denel may recover from the Supplier the difference between the cost of such procured Goods and the Price indicated in the Purchase Order (if the latter is lower), as well as any other costs and expenses (including the cost of any additional transport) which Denel incurred or may incur upon the Supplier's default; or

27.2.3 Claim direct, indirect, special, consequential and incidental damages as may have been suffered by Denel as a result of the Supplier's failure or default; or

27.2.4 Where the Purchase Order calls for the delivery of spare parts lists, catalogues, technical manuals or any other documentation, withhold payment of any amount due to the Supplier until such lists, catalogues, manuals and other documents are delivered.

## 28. TERMINATION OF CONTRACT / PURCHASE ORDER

28.1 Denel reserves the right to cancel the Purchase Order by notice in writing without furnishing any reasons therefor, and in the event that the Supplier is not in default, Denel shall be liable only for payment in respect of:

28.1.1 Goods or Services completed at the date of such notice at prices specified in the order;

28.1.2 Work in progress at prices to be agreed upon but such prices shall in no instance exceed a pro rata proportion of the cost of the items as specified in the Purchase Order;

28.1.3 Raw materials which have been ordered by the Supplier for this particular order, at ruling market prices, provided that such raw materials shall be delivered to Denel;

28.1.4 The reasonable cost of any special equipment such as jigs, tools and templates which (i) the Supplier can demonstrate to Denel's reasonable satisfaction that such special equipment was procured solely for purposes of meeting its delivery obligations in terms of the relevant Purchase Order and (ii) cannot be utilised in the normal day to day working process carried out by the Supplier, provided that such equipment is delivered to Denel and only to the extent that the cost thereof has not already been paid for by Denel.

28.2 The termination period shall be stipulated in the notice by Denel.

28.3 Such written notice of termination shall be served on the Supplier by Denel and it shall specify the extent to which the Purchase Order is terminated as well as the notice date and period.

28.4 Upon receipt of such notice, the Supplier shall:

28.4.1 immediately stop work on the Purchase Order to the extent specified;

28.4.2 place no further Purchase Orders for materials, services or facilities affected by the notice;

28.4.3 terminate all Purchase Orders and subcontracts to the required extent of the notice;

28.4.4 take all reasonable action to limit any further or other expenses related to the work so terminated;

28.4.5 continue work that has not been terminated;

28.4.6 protect and preserve Denel's property relating to the Purchase Order and deliver it to Denel if so instructed.

## 29. DISPUTE RESOLUTION

29.1 All disputes between the Parties to the Agreement with respect to any matter or thing arising out of or relating to the Agreement which cannot be resolved in good faith by means of direct negotiations and conciliation, within fifteen (15) days of such dispute arising, shall be resolved by mediation under the Rules of the Arbitration Foundation of Southern Africa (AFSA) (or its successor or body nominated in writing by it in its stead).

29.2 If mediation fails, the Parties must refer the dispute within fifteen (15) days for resolution by arbitration (including any appeal against the arbitrator's decision), the selected Arbitrator must be approved by both Denel and the Supplier. The arbitration shall be conducted in Pretoria, Republic of South Africa (or any other place as may be so agreed to by the Parties) under the then rules for expedited arbitration of AFSA. If Parties cannot agree on the arbitrator within ten (10) days after referral, the arbitrator shall be appointed by the Secretariat of AFSA.

29.3 The arbitration proceedings shall be conducted in the English language.

29.4 The agreement to arbitration shall not prevent a party from obtaining urgent interim relief by way of injunction, interdict or any other similar legal remedy that may be available from any court of competent jurisdiction, pending arbitration on grounds that such court would grant by way of interim relief.

29.5 The Parties agree that any arbitration award or outcome shall be binding to the Parties and shall without further process be made an order of any court of competent jurisdiction by both parties.

29.6 The provisions of this clause serve as an irrevocable consent by all the Parties to any of the proceedings in terms hereof and the Parties shall not be entitled to withdraw from the proceedings or to maintain that they are not bound by such provisions; and are divisible from the rest of these Standard Terms and Conditions of Procurement and shall remain in full force and effect, notwithstanding termination of these Standard Terms and Conditions of Procurement for any reason whatsoever.

## 30. INSURANCE

The Supplier shall take out and maintain in force all insurance policies necessary to cover its liability under these Standard Terms and Conditions of Procurement and the Purchase Order. The Supplier agrees to provide Denel with evidence of insurance pursuant to any Denel requirements regarding insurance coverage, and to comply with such requirements, including third party liability as well as liability towards Denel.

## 31. FRAUD & CORRUPTION

31.1 Should Denel conclude on reasonable grounds –

31.1.1 that the Supplier has promised or caused to be promised on its behalf, offered or given a bribe, commission, gift, loan, benefit or other consideration of whatever nature to an official, employee or any other person in the course of obtaining or executing the Purchase Order; or

31.1.2 that the Supplier has acted fraudulently or in bad faith in obtaining or executing any contract with Denel, any public body, company, firm or person, or has in the conduct of its business failed to observe statutory requirements, resulting in a criminal conviction;

then Denel may (i) terminate the Purchase Order and recover from the Supplier the amount of any loss suffered by Denel resulting from such termination or (ii) recover in full from the Supplier any loss sustained by Denel in consequence of any breach of clause 23, whether or not the Purchase Order has been terminated.

31.2 Any potential conflict, such as employees of Denel having an interest, whether directly or through family members, in the Supplier's organization; or interests between the supplier and Denel, shall be declared in writing by the supplier prior to accepting a contract and the Supplier shall promptly advise Denel of any conflict or potential conflict which arises during the execution of the Purchase Order.

## 32. WAIVER OF RIGHTS AND RETENTION OF SECURITIES

32.1 Irrespective of the amount paid by Denel nor any extension of the completion date granted by Denel shall prejudice Denel's rights against the Supplier or absolve the Supplier of its obligations for the due execution of the Purchase Order, or be interpreted as approval of the Goods delivered; and no payment shall incur a liability for Denel to pay for alterations, amendments or additional work not ordered in writing by Denel, and such payment shall not absolve the Supplier of its obligations regarding the payment of damages, whether due, ascertained, liquidated or not.

32.2 Denel may retain any part of the securities and retention money held by it for as long as the Purchase Order is not completed to the satisfaction of Denel or for as long as any amount is owing to Denel by the Supplier.

## 33. COMPLIANCE WITH BBBEE REQUIREMENTS

33.1 Denel shall apply the provisions of the Broad Based Black Economic Empowerment Act, 53 of 2003 or as amended and its Codes of Good Practice in the procurement of Goods. As a general rule preference shall be given to local suppliers with a BBBEE level from 1 to 4. In addition to the BBBEE level company status, chances of success will increase if Suppliers of Products and Services have substantial Black, Black Female, Black Youth, Black People with Disabilities shareholding, and the Employment Equity profile is aligned with the Economically Active Population of the relevant province or South Africa.

33.2 The Supplier shall, for the duration of the Purchase Order, maintain its BBBEE status which formed the basis of its appointment, and shall provide all documentations and reports as may be reasonably required by Denel from time to time in order to verify such compliance, including, but not limited –

33.2.1 its broad based black economic empowerment status; and

33.2.2 its employment equity status.

33.3 In order to improve Denel's spend on Black-owned and Black Women-owned Suppliers as well as other designated categories, Denel reserves the right to ring-fence or set aside certain categories of products and services for such companies.

33.4 Joint ventures between Black-owned and Black Women-Owned Suppliers and White – Owned established Suppliers shall be viewed favourably in instances where suitable Black-Owned and Black Women-Owned Suppliers are not available.

**34. GENERAL**

34.1 The latest issue of the Denel Standard Terms and Conditions of Procurement (this document) shall supersede any other conditions of purchase.

34.2 This document and the Purchase Order constitute the entire agreement between the Parties.

34.3 No variation, addition or agreed cancellation of these Standard Terms and Conditions of Procurement or the Purchase Order, shall be of any force or effect unless reduced to writing and signed by both parties and their duly authorised signatories.

34.4 These Standard Terms and Conditions of Procurement and the Purchase Order do not establish either Party as being the agent or legal representative of the other Party for any purposes whatsoever, without the first mentioned Party's written statement authorising the latter Party legally to act on behalf of the first mentioned Party to the extent of authorisation provided for therein. Neither Party is granted, unless otherwise specially authorised, any right or authority to assume or create any obligation or responsibility, express or implied, in and on behalf or in the name of the other Party, or to bind the other Party in any manner or form whatsoever.

34.5 These Standard Terms and Conditions of Procurement and the Purchase Order further do not confer any exclusive rights on any one Party and do not prohibit the Parties in any way whatsoever from conducting their normal business activities or from entering into any future agreements or arrangements with any third party.

34.6 Denel and the Supplier shall use the English language in which the Purchase Order was issued in all documents relating to or resulting from the Purchase Order. Documents in other languages shall be valid only if they are accompanied by a translation in the language of the Purchase Order certified as correct by a sworn translator. The party submitting a translation shall be responsible for any damages resulting from a mistake in such translation. Should the interpretation of the documents differ, the interpretation of the document in the original language shall take precedence over the translated document.

34.7 No relaxation or indulgence granted to the supplier by Denel from time to time shall be deemed to be a waiver of Denel's rights in terms of these Standard Terms and Conditions of Procurement and the Purchase Order, nor shall any such relaxation or indulgence be deemed to be an innovation or waiver of the terms and conditions of the Purchase Order.

34.8 The Supplier shall not cede, assign or transfer a Purchase Order or any portion thereof or any rights arising therefrom, to any third party without the written consent of Denel first having been had and obtained thereto and which consent may be refused at the discretion of Denel and without furnishing any reasons therefor. Denel shall be entitled to assign the Purchase Order, or any rights under it, upon giving written notice to the Supplier.

34.9 These Standard Terms and Conditions of Procurement, or any terms or conditions incorporated in the Purchase Order, shall be governed by and interpreted in accordance with the laws of the RSA, and the Supplier shall conform to all statutory requirements of the government of the RSA with regard to such Goods. In particular, the Parties agree that due to the nature of the supply made under the Purchase Order, and to the extent as may be applicable, such supply is subject to international and domestic laws dealing with the types of products being supplied, including without limitation:

34.9.1 The National Conventional Arms Control Act (Act 41 of 2001);

34.9.2 The Regulation of Foreign Military Assistance Act (Act 15 of 1998);

34.9.3 Anti-Personnel Mines Prohibition Act (Act 36 of 2003);

34.9.4 Firearms Control Act (Act 60 of 2000);

34.9.5 Non-Proliferation of Weapons of Mass Destruction Act (Act 87 of 1993).

## 35. DOMICILIUM AND NOTICES

35.1 The Parties select the addresses stated in the Purchase Order as their respective *domicilia citandi et executandi*.

35.2 Where possible, the address shall indicate the individual from whom attention is required.

35.3 Any notice or communication required or permitted to be given in terms of these Standard Terms and Conditions of Procurement and the relevant Purchase Order shall be valid and effective only if in writing.

35.4 Any Party may by notice to the other Party change the physical address or its telefax number chosen as its *domicilium citandi et executandi* to another physical address or its postal address to another postal address, provided that the change shall become effective by the tenth (10th) business day from the receipt of the notice by the addressee.

35.5 Any notice to a Party shall be deemed to be valid if:

35.5.1 delivered by hand to the addressee's address set out above, in which event it shall be deemed to have been received on the date of delivery; or

35.5.2 sent by facsimile, in which event it shall be deemed to have been received on the date of transmission of the facsimile.