REQUEST FOR TENDERS

YOU ARE HEREBY INVITED TO SUBMIT A BID TO MEET THE REQUIREMENTS OF DENEL AERONAUTICS SOC LTD

YOU ARE HEREBY INVITED TO SUBMIT A BID TO MEET THE REQUIREMENTS OF DENEL SOC LTD T/A DENEL AERONAUTICS	
BID NUMBER:	SCM2017-09-01
CLOSING DATE:	**1st December 2017**
CLOSING TIME:	**10H00 AM**
PERIOD FOR WHICH BIDS ARE REQUIRED TO REMAIN OPEN FOR ACCEPTANCE:	180 days (submissions must be valid for 90 days after the closing date)
DESCRIPTION OF BID:	REQUEST FOR C12 UPGRADE.
BID DOCUMENTS DELIVERY ADDRESS:	Denel Aeronautics SOC Ltd Kempton Park Bonaero Park For Attention: **Denel's Tender Office** **NB: Bidders must ensure that they sign the register at DENEL AERONAUTICS SOC LTD when submitting the Bids.**
ORIGINATOR	
NAME	**WILLIAM MSOMI**
SIGNATURE AND DATE	1/11/2017
SUPPLY CHAIN MANAGEMENT	
NAME	**DAVID MALELE**
SIGNATURE AND DATE	02/11/2017.
BIDDER(S) INFORMATION*	
NAME OF BIDDER:	
CONTACT PERSON:	
EMAIL ADDRESS:	
TELEPHONE NUMBER:	
FAX NUMBER:	
BIDDER'S STAMP OR SIGNATURE	

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PART A: INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF DENEL AERONAUTICS SOC LTD

BID NUMBER:	SCM2017-09-01
CLOSING DATE:	1st December 2017
CLOSING TIME:	10H00AM

DESCRIPTION: REQUEST FOR TENDERS (RFT) TO SUPPLY AND DELIVER ELECTRICIAN MOTOR AND TRAINING AIDS TO DENEL AERONAUTICS SOC LTD, GROUP

The successful Bidder will be required to conclude a service level agreement with DENEL AERONAUTICS SOC 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 is open during office hours (08:00 – 16:30) Monday to Friday.

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

THIS BID IS SUBJECT TO THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT, WHICH ARE SET OUT IN PART C OF THIS DOCUMENT.

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

BIDDERS THAT ARE UNINCORPORATED 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**
BBBEE 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 (hard copy) with four (4) copies (hard copies) must be submitted - (clearly marked as original and copy); separated into **separate envelopes** for Qualifying Criteria and Functional Evaluation on the one hand, and Price and Preferential Points, on the other hand.
☐	☐	**Part A:** Invitation to Bid
☐	☐	**Part C:** Specifications, Conditions of tender and Undertakings by Bidder
☐	☐	**Annexure A:** MGB Dynamic test benches approval criteria document
☐	☐	**Annexure B**: Tax clearance certificate
☐	☐	**Annexure C:** Declaration of Interest
☐	☐	**Annexure D:** Preference points claim form
☐	☐	**Annexure E:** SBD8: Declaration of Bidder's Past Supply Chain Practices
☐	☐	**Annexure F:** SBD9: Certificate of Independent Bid Determination
☐	☐	**Annexure G:** Certified copies of your CIPC company registration documents listing all members with percentages, in case of a close corporation
☐	☐	**Annexure H:** Certified copies of latest share certificates, in case of a company.
☐	☐	**Annexure I:** A breakdown of how fees and work will be spread between members of the bidding consortium.
☐	☐	**Annexure J (if applicable):** Supporting documents to responses to Qualification Criteria and Evaluation Criteria.
☐	☐	**Annexure K:** General Condition of Contract
☐	☐	**Annexure L:** Supporting documents - CSD Registration Summary Report

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

1. DEFINITIONS

In this REQUEST FOR TENDERs, unless a contrary intention is apparent:

1.1 **B-BBEE** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act, 2003;

1.2 **B-BBEE Act** means the Broad-Based Black Economic Empowerment Act, 2003;

1.3 **B-BBEE status level** means the B-BBEE status received by a measured entity based on its overall performance used to claim points in terms of regulation 5 and 6 of the Preferential Procurement Regulations, 2011.

1.4 **Business Day** means a day which is not a Saturday, Sunday or public holiday.

1.5 **Bid** means a written offer in the prescribed or stipulated form lodged by a Bidder in response to an invitation in this REQUEST FOR TENDER, containing an offer to provide goods, works or services in accordance with the Specification as provided in this RFT.

1.6 **Bidder** means a person or legal entity, or an unincorporated group of persons or legal entities that submit a Bid.

1.7 **Companies Act** means the Companies Act, 2008.

1.8 **Compulsory Documents** means the list of compulsory schedules and documents set out in Part B.

1.9 **C12 -** means the building number where the Main Gear Box test rig is situated.

1.10 **Closing Time** means the time, specified as such under the clause 4 (Bid Timetable) in Part C, by which Tenders must be received.

1.11 **Evaluation Criteria** means the criteria set out under the clause 27 (Evaluation Process) of this Part C, which includes the Qualifying Criteria, Functional Criteria and Price and Preferential Points Assessment.

1.12 **Functional Criteria** means the criteria set out in clause 27.4 of this Part C.

1.13 **Intellectual Property Rights** includes copyright and neighbouring rights, and all proprietary rights in relation to inventions (including patents) registered and unregistered trademarks (including service marks), registered designs, confidential information (including trade secrets and know how) and circuit layouts, and all other proprietary rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.

1.14 **OEM** - means Original Equipment Manufactures

1.15 **PFMA** means the Public Finance Management Act, 1999.

1.16 **PPPFA** means the Preferential Procurement Policy Framework Act, 2000.

1.17 **PPPFA Regulations** means the Preferential Procurement Regulations 2011, published in terms of the PPPFA.

1.18 **Price and Preferential Points Assessment** means the process described in clause 27.5 of this Part C, as prescribed by the PPPFA.

1.19 **Proposed Contract** means the agreement including any other terms and conditions contained in or referred to in this RFT that may be executed between DENEL AERONAUTICS SOC LTD and the successful Bidder.

1.20 **Qualifying Criteria** means the criteria set out in clause 27.3 of this Part C.

1.21 **REQUEST FOR TENDER** or **RFT** means this document (comprising each of the parts identified under Part A, Part B, Part C and Part D) including all annexures and any other documents so designated by DENEL AERONAUTICS SOC LTD.

1.22 **SARS** means the South African Revenue Service.

1.23 **Services** means the services required by DENEL AERONAUTICS SOC LTD, as specified in this RFT Part D.

1.24 **SLA** means service level agreement.

1.25 **SOC** means State Owned Company, as defined by the Companies' Act.

1.26 **Specification** means the conditions of tender set and any specification or description of DENEL AERONAUTICS SOC LTD's requirements contained in this RFT.

1.27 **State** means the Republic of South Africa.

1.28 **Statement of Compliance** means the statement forming part of a Tender indicating the Bidders compliance with the Specification.

1.29 **Tender Manager** means the person so designated under clause 3 (Tender Manager) of this RFT Part C.

1.30 **Tendering Process** means the process commenced by the issuing of this REQUEST FOR TENDERs and concluding upon formal announcement by DENEL AERONAUTICS SOC LTD of the selection of a successful Bidder(s) or upon the earlier termination of the process.

1.31 **Website** means a website administered by DENEL AERONAUTICS SOC LTD under its name with web address www.denel.co.za

2. INTERPRETATIONS

In this RFT, unless expressly provided otherwise a reference to:

2.1 "includes" or "including" means includes or including without limitation; and

2.2 "R" or "Rand" is a reference to the lawful currency of the Republic of South Africa.

3. TENDER OFFICE

DENEL AERONAUTICS SOC LTD – Procurement

Email: Tenders_DAs@denel.co.za

No questions will be answered telephonically.

Only questions, queries clarifications which are submitted to the Tenders_DAs@denel.co.za will be addressed

No Canvassing of any Denel Employee will be tolerated and will result in an immediate disqualification of the bidder.

4. 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 DENEL AERONAUTICS SOC LTD. Bidders are to provide proposals that will allow achievement of the intended commencement date.

Activity	Date
Advertisement of tender	02nd November 2017
Closing date for tender enquiries	15th November 2017 at all enquiries must be directed to Tenders_DAs@denel.co.za 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 delayed or responses that are not viewed on eTender
Closing date and time	**1st December 2017 at 10H00 precisely**
Intended completion of evaluation of tenders	08th December 2017
Intended formal notification of successful Bidder(s)	15th December 2017

5. SUBMISSION OF TENDERS

5.1 Hardcopies of Tenders are to be submitted to:

Physical Address of Tender Box	Denel Aeronautics SOC LTD Bonaero Park Kempton Park E1 Procurement Office
Hours of access to Tender Box	Monday to Thursday: 07h00 to 16h00 Fridays: 07h00 to 14h00
Information to be marked on package containing Tender	DENEL AERONAUTICS SOC LTD SCM Unit RFT Ref. No. SCM2017-09-01 Name of Bidder For Attention: E1 Procurement Office **2 Envelope System** Indicate whether envelope pertains to "Qualifying Criteria and functional assessment"; **or** "price and preference points"

5.2 Bidders are to provide one (1) original (hard copy) and four (4) copies (hard copy) of the Bid, Bid must be submitted. 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 RFT, then these should be submitted as separate submissions and indicated on the cover page of the Bid. Each Bid shall be submitted with one (1) original hard copy) and four (4) copies (hard copy) as indicated above.

5.3 **Note: <u>This Tendering Process will use a two envelope system</u>** i.e. **Bidders must submit the Qualifying Criteria and functional proposal in one envelope (together with relevant copies) and pricing and preference points proposals in a separate envelope (together with the relevant copies). BOTH ENVELOPES MUST BE CLEARLY MARKED.**

6. RULES GOVERNING THIS RFT AND THE TENDERING PROCESS

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

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

6.3 All Bidders are deemed to accept the rules contained in this RFT Part C.

6.4 The rules contained in this RFT Part C apply to:

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

6.4.2 the Tendering Process; and

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

7. STATUS OF REQUEST FOR TENDER

7.1 This RFT is an invitation for person(s) to submit a proposal(s) for the provision of the services as set out in the Specification contained in this RFT. Accordingly, this RFT must not be construed, interpreted, or relied upon, whether expressly or implicitly, as an offer capable of acceptance by any person(s), or as creating any form of contractual, promissory or other rights. No binding contract or other understanding for the supply of services will exist between DENEL AERONAUTICS SOC LTD and any Bidder unless and until DENEL AERONAUTICS SOC LTD has executed a formal written contract with the successful Bidder.

8. ACCURACY OF REQUEST FOR TENDER

8.1 Whilst all due care has been taken in connection with the preparation of this RFT, DENEL AERONAUTICS SOC LTD makes no representations or warranties that the content in this RFT or any information communicated to or provided to Bidders during the Tendering Process is, or will be, accurate, current or complete. DENEL AERONAUTICS SOC LTD, and its officers, employees and advisors will not be liable with respect to any information communicated which is not accurate, current or complete.

8.2 If a Bidder finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this RFT or any other information provided by DENEL AERONAUTICS SOC LTD (other than minor clerical matters), the Bidder must promptly notify DENEL AERONAUTICS SOC LTD in writing of such discrepancy, ambiguity, error or inconsistency in order to afford

DENEL AERONAUTICS SOC LTD an opportunity to consider what corrective action is necessary (if any).

8.3 Any actual discrepancy, ambiguity, error or inconsistency in this RFT or any other information provided by DENEL AERONAUTICS SOC LTD will, if possible, be corrected and provided to all Bidders without attribution to the Bidder who provided the written notice.

9. ADDITIONS AND AMENDMENTS TO THE RFT

9.1 DENEL AERONAUTICS SOC LTD reserves the right to change any information in, or to issue any addendum to this RFT before the Closing Time. DENEL AERONAUTICS SOC LTD and its officers, employees and advisors will not be liable in connection with either the exercise of, or failure to exercise this right.

9.2 If DENEL AERONAUTICS SOC LTD exercises its right to change information in terms of clause 9.1, it may seek amended Tenders from all Bidders.

10. REPRESENTATIONS

No representations made by or on behalf of DENEL AERONAUTICS SOC LTD in relation to this RFT will be binding on DENEL AERONAUTICS SOC LTD unless that representation is expressly incorporated into the contract ultimately entered into between DENEL AERONAUTICS SOC LTD and the successful Bidder.

11. CONFIDENTIALITY

11.1 All persons (including all Bidders) obtaining or receiving this RFT and any other information in connection with this RFT or the Tendering Process must keep the contents of the RFT 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 RFT.

12. REQUESTS FOR CLARIFICATION OR FURTHER INFORMATION

12.1 All communications relating to this RFT and the Tendering Process must be directed to Tender Response.

12.2 All questions or requests for further information or clarification of this RFT or any other document issued in connection with the Tendering Process must be submitted to the Tender Response in writing, and by e-mail only.

12.3 Any communication by a Bidder to DENEL AERONAUTICS SOC LTD will be effective upon receipt by the Tender Office (provided such communication is in the required format).

12.4 DENEL AERONAUTICS SOC LTD has restricted the period during which it will accept questions or requests for further information or clarification and reserves the right not to respond to any enquiry or request, irrespective of when such enquiry or request is received.

12.5 Except where DENEL AERONAUTICS SOC LTD is of the opinion that issues raised apply only to an individual Bidder, questions submitted and answers provided will be made available to all Bidders by e-mail, without identifying the person or organisation which submitted the question.

12.6 In all other instances, DENEL AERONAUTICS SOC LTD may directly provide any written notification or response to a Bidder by email to the address of the Bidder (as notified by the Bidder to the Tender Response email address).

12.7 A Bidder may, by notifying the Tender Office in writing, withdraw a question submitted in accordance with clause 12, in circumstances where the Bidder does not wish DENEL AERONAUTICS SOC LTD to publish its response to the question to all Bidders.

13. UNAUTHORISED COMMUNICATIONS

13.1 Communications (including promotional or advertising activities) with staff of DENEL AERONAUTICS SOC 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 13 is intended to prevent communications with staff of, or advisors to, DENEL AERONAUTICS SOC LTD to the extent that such communications do not relate to this RFT or the Tendering Process.

13.2 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.

14. IMPROPER ASSISTANCE, FRAUD AND CORRUPTION

14.1 Bidders may not seek or obtain the assistance of employees of DENEL AERONAUTICS SOC LTD in the preparation of their tender responses.

14.2 DENEL AERONAUTICS SOC LTD may in its absolute discretion, immediately disqualify a Bidder that it believes has sought or obtained such improper assistance.

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

15. ANTI-COMPETITIVE CONDUCT

15.1 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:

15.1.1 the preparation or lodgement of their Bid

15.1.2 the evaluation and clarification of their Bid; and

15.1.3 The conduct of negotiations with DENEL AERONAUTICS SOC LTD.

15.2 For the purposes of this clause 15, 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 DENEL AERONAUTICS SOC LTD or any other Bidder or any other person or organisation.

15.3 In addition to any other remedies available to it under law or contract, DENEL AERONAUTICS SOC 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.

16. COMPLAINTS ABOUT THE TENDERING PROCESS

16.1 Any complaint about the RFT or the Tendering Process must be submitted to the Tender Office via the Tender Response email address, by email only, immediately upon the cause of the complaint arising or becoming known to the Bidder.

16.2 The written complaint must set out:

16.2.1 the basis for the complaint, specifying the issues involved;

16.2.2 how the subject of the complaint affects the organisation or person making the complaint;

16.2.3 any relevant background information; and

16.2.4 The outcome desired by the person or organisation making the complaint.

16.3 If the matter relates to the conduct of an employee of DENEL AERONAUTICS SOC LTD, the complaint should be addressed in writing marked for the attention of the Chief Executive Officer of DENEL AERONAUTICS SOC LTD, and delivered to the physical address of DENEL AERONAUTICS SOC LTD, as notified.

17. CONFLICT OF INTEREST

17.1 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 DENEL AERONAUTICS SOC LTD and the Bidder's interests during the Tender Process.

17.2 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 RFT. 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 DENEL AERONAUTICS SOC LTD immediately in writing of that conflict.

17.3 DENEL AERONAUTICS SOC LTD may immediately disqualify a Bidder from the Tendering Process if the Bidder fails to notify DENEL AERONAUTICS SOC LTD of the conflict as required.

18. LATE BIDS

18.1 Bids must be delivered by the Closing Time. The Closing Time may be extended by DENEL AERONAUTICS SOC LTD in its absolute discretion by providing written notice to Bidders.

18.2 Bids delivered after the Closing Time or lodged at a location or in a manner that is contrary to that specified in this RFT will be disqualified from the Tendering Process and will be ineligible for consideration. No Late Tenders will be Accepted

18.3 The determination of DENEL AERONAUTICS SOC LTD as to the actual time that a Bid is lodged is final. Subject to clause 18.2, all Bids lodged after the Closing Time will be recorded by DENEL AERONAUTICS SOC LTD and will only be opened for the purposes of identifying a business name and address of the Bidder. DENEL AERONAUTICS SOC LTD will inform a Bidder whose Bid was lodged after the Closing Time of its ineligibility for consideration. The general operating practice is for the late Bid to be returned within 5 (five) working days of receipt or within 5 (five) working days after determination not to accept a late Bid.

19. BIDDER'S RESPONSIBILITIES

19.1 Bidders are responsible for:

19.1.1 examining this RFT and any documents referenced or attached to this RFT and any other information made or to be made available by DENEL AERONAUTICS SOC LTD to Bidders in connection with this RFT;

19.1.2 fully informing themselves in relation to all matters arising from this RFT, including all matters regarding DENEL AERONAUTICS SOC LTD 's requirements for the provision of the Services;

19.1.3 ensuring that their Bids are accurate and complete;

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

19.1.5 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

19.1.6 Submitting all Compulsory Documents.

19.2 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.

19.3 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 be in accordance with the applicable notices published by the Department of Trade and Industry in the Government Gazette.

19.4 DENEL AERONAUTICS SOC 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 DENEL AERONAUTICS SOC LTD.

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

20. PREPARATION OF BIDS

20.1 Bidders must ensure that:

20.1.1 their Bid is submitted in the required format as stipulated in this RFT; and

20.1.2 All the required information fields in the Bid are completed in full and contain the information requested by DENEL AERONAUTICS SOC LTD.

20.2 DENEL AERONAUTICS SOC LTD may in its absolute discretion reject a Bid that does not include the information requested or is not in the format required.

20.3 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.

20.4 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.

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

21. ILLEGIBLE CONTENT, ALTERATION AND ERASURES

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

21.2 DENEL AERONAUTICS SOC LTD may disregard any content in a Tender that is illegible and will be under no obligation whatsoever to seek clarification from the Bidder.

21.3 DENEL AERONAUTICS SOC LTD may permit a Bidder to correct an unintentional error in its Bid where that error becomes known or apparent after the Closing Time, but in no event will any correction be permitted if DENEL AERONAUTICS SOC LTD reasonably considers that the correction would materially alter the substance of the Bid or effect the fairness of the Tendering Process.

22. OBLIGATION TO NOTIFY ERRORS

If, after a Bidder's Response has been submitted, the Bidder becomes aware of an error in the Bidders Response (including an error in pricing, but excluding clerical errors which would have no bearing on the evaluation of the Bid), the Bidder must promptly notify DENEL AERONAUTICS SOC LTD of such error.

23. RESPONSIBILITY FOR BIDDING COSTS

23.1 The Bidders participation or involvement in any stage of the Tendering Process is at the Bidders sole risk, cost and expense. DENEL AERONAUTICS SOC 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.

23.2 DENEL AERONAUTICS SOC 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:

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

23.2.2 DENEL AERONAUTICS SOC LTD exercises any right under this RFT or at law.

24. DISCLOSURE OF BID CONTENTS AND BID INFORMATION

24.1 All Bids received by DENEL AERONAUTICS SOC LTD will be treated as confidential. DENEL AERONAUTICS SOC LTD will not disclose contents of any Bid and Bid information, except:

24.1.1 as required by law;

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

24.1.3 To external consultants and advisors of DENEL AERONAUTICS SOC 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.

25. USE OF BIDS

25.1 Upon submission in accordance with the requirements relating to the submission of Bids, all Bids submitted become the property of DENEL AERONAUTICS SOC LTD. Bidders will retain all ownership rights in any intellectual property contained in the Bids.

25.2 Each Bidder, by submission of their Bid, is deemed to have licensed DENEL AERONAUTICS SOC LTD to reproduce the whole, or any portion, of their Bid for the sole purposes of enabling DENEL AERONAUTICS SOC LTD to evaluate the Bid.

26. BID ACCEPTANCE

All Bids received must remain open for acceptance for a minimum period of 90 (Ninety) days from the Closing Time. This period may be extended by written mutual agreement between DENEL AERONAUTICS SOC LTD and the Bidder.

26.1 DENEL'S PROCUREMENT PHILOSOPHY

It is the policy of Denel Aeronautics 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:

26.1.1 The PFMA and the (PPPFA;

26.1.2 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 requirement.
- Denel encourages its suppliers to constantly strive to improve their BBBEE rating. Whereas tenderers will be allocated points in terms of the preference point system of the PPPFA based on its BBBEE 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-BBBEE improvement plan detailing how the tenderer intends improving their B-BBBEE status during the course of the contract should the order be placed on their company later.
- The impact of the amended codes of good practice on the BBBEE scorecard needs to be indicated at time of tender as well as how the organisation plans to overcome any challenges or obstacles work on the BBBEE improvement plan for each year of the contract. This will be measured in accordance with the requirement of annual verifications done and BBBEE certificates to be provided (though it must be noted that all suppliers are required to inform Denel of any change in their BBBEE 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 and Supplier Development elements.

27. EVALUATION PROCESS

27.1 The Bids will be evaluated and adjudicated as follows:

27.1.1 **Qualification – evaluation of compliance with Qualifying Criteria**

Only those Bidders which satisfy all of the Qualifying Criteria will be eligible to participate in the Tendering Process further. Bids which do not satisfy all of the Qualifying 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 could include such items as required in section 27.3

27.1.2 **First stage – Functional Criteria**
The test for administrative responsiveness must be passed for a Bidders Bid to progress to step two for further pre-qualification.

Bidders are evaluated based on the functional criteria set out in this RFT. Only those Bidders which score **60** points or higher (out of a possible 100) during the functional evaluation will be evaluated during the second stage of the Bid. The functional evaluation will/may include a presentation by the Bidders, Denel Aeronautics SOC LTD will advise bidders in advance should a presentation be required.

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

27.1.3.1 Those Bidders which have passed the initial and first stages of the tender Process will be scored on the basis of price and preference point allocation in accordance with the applicable legislation.

27.1.3.2 The successful Bidder will typically be the Bidder that scores the highest number of points in the second stage of the Bid evaluation, unless DENEL AERONAUTICS SOC LTD exercises its right to cancel the RFT or finds that there are valid business or transformative reasons that justify the award to a company that did not obtain the highest score.

Please note that:

- Any bidding company that do not have majority black ownership; will be required to submit their Ownership Transformation Plan and/or their Supplier Development Plan, which may assist Denel Aeronautics SOC LTD to obtain their transformational objectives.

27.2 **NB: Bidders are required to submit, as Annexure K to their Bids, any documentation which supports the responses provided in respect of the Qualifying Criteria and Functional Criteria below.**

27.3 **Qualification: Qualifying Criteria**

27.3.1 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.

27.3.2 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 evidencing their compliance with each requirement, where applicable.

Requirement	Compliant	Not compliant
Registration or Certification		
1. Bidder is a South African registered and practising service provider operating out of the Gauteng and surrounding areas. 2. Valid Tax Clearance Certificate 3. Valid BEE Certificate (if claiming preference points) 4. Central Supplier database proof of registration 5. Company Registration – Proof 6. Original Banking Details or Cancelled Cheque This requirement applies to all members of consortia or joint ventures which submit joint Bids. Note: Failure to meet the above requirements will result in automatic disqualification		

Experience of the Bidder			
1. Detailed company profile detailing expertise and capabilities, and clearly highlights your company's experience in providing Travel Management services 2. Document detailing track record in completing such/similar projects in line with Denel's requirement. 3. A minimum of three (3) reference letters from respective customers on their letterheads were services were provided by your company, The letters should include: □A contact person, title and contact numbers. □Must not be more than Two (2) years old. This requirement applies to all members of consortia or joint ventures which submit joint Bids			

Compliance of the Bidder		
1. Financial statement for the past Five (5) years 2. Bidder has submitted all returnable documentation to Denel Aeronautics SOC 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) 6. Document stipulating interest to participate in a possible Enterprise and Supplier Development Program, wherein the bidder agrees to partner with a transformed company in a bid to transfer expertise and resources as defined by Denel Aeronautics SOC LTD.		

27.4 **First Stage: Functional Criteria**

27.4.1 Only those Bidders which score 60 points or higher (out of a possible 100) during the functional evaluation will be evaluated during the second stage of the Bid. Bidders are required to submit supporting documentation evidencing their compliance with each requirement, where applicable.

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

Functional Criteria	Weighting%
Compliance to technical specification as specified in clause 37 & Annex A. All procured parts/materials are MGB Test Bench OEM approved.	35% 5%
Previous Experience in similar work at Denel Aeronautics	20%
Delivery Plan with lead times: Points allocation will be broken down as follows: Eight months delivery = 20 points Ten months delivery = 15 Points > Ten months delivery = 5 Points	20%
Warranty period not less than 3 years. Customer service and after sale maintenance support	10% 10%
Total Weighting: **Minimum qualifying score required**	**100%** **60%**

27.4.3 A minimum of 60 points out of a 100 for the functional/ evaluation will qualify the Bid to move on to the second stage of evaluation, which is price and preferential point's evaluation.

Bidders that do not score 60 points or higher at this stage of the evaluation will not be evaluated during the second stage of the evaluation.

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

27.5.1 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 PPPFA and the PPPFA Regulations, as follows:

Price points 80
Preferential procurement points 20

27.5.2 **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.

27.5.3 **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	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

An unincorporated 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.

27.5.4 **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).

The successful Bidder will be the Bidder which has the highest total points (out of 100) for both price and preferential procurement (unless there is a basis for selecting a different successful Bidder in accordance with section 2(1) (f) of the PPPFA, Denel reserves the right not to award the contract to the bidder scoring the highest points, on pricing alone)

28. STATUS OF BID

28.1 Each Bid constitutes an irrevocable offer by the Bidder to DENEL AERONAUTICS SOC LTD to provide the Services required and otherwise to satisfy the requirements of the Specification as set out in this RFT.

28.2 A Bid must not be conditional on:

28.2.1 the Board approval of the Bidder or any related governing body of the Bidder being obtained;

28.2.2 the Bidder conducting due diligence or any other form of enquiry or investigation;

28.2.3 the Bidder (or any other party) obtaining any regulatory approval or consent;

28.2.4 the Bidder obtaining the consent or approval of any third party; or

28.2.5 The Bidder stating that it wishes to discuss or negotiate any commercial terms of the contract.

28.3 DENEL AERONAUTICS SOC LTD may, in its absolute discretion, disregard any Bid that is, or is stated to be, subject to any one or more of the conditions detailed above (or any other relevant conditions).

28.4 DENEL AERONAUTICS SOC LTD reserves the right to accept a Bid in part or in whole or to negotiate with a Bidder in accordance with the provisions of this RFT and the applicable laws and regulations.

29. CLARIFICATION OF BIDS

29.1 DENEL AERONAUTICS SOC LTD may seek clarification from and enter into discussions with any or all of the Bidders in relation to their Bid. DENEL AERONAUTICS SOC LTD may use the information obtained when clarification is sought or discussions are had in interpreting the Bid and evaluating the cost and risk of accepting the Bid. Failure to supply clarification to the satisfaction of DENEL AERONAUTICS SOC LTD may render the Bid liable to disqualification.

29.2 DENEL AERONAUTICS SOC LTD is under no obligation to seek clarification of anything in a Bid and reserves the right to disregard any clarification that DENEL AERONAUTICS SOC LTD considers to be unsolicited or otherwise impermissible or irrelevant in accordance with the rules set out in this RFT.

30. DISCUSSION WITH BIDDERS

30.1 DENEL AERONAUTICS SOC LTD may elect to engage in detailed discussions with any one or more Bidder(s), with a view to maximising the benefits of this RFT as measured against the evaluation criteria and in fully understanding a Bidder's offer.

30.2 As part of the evaluation of this Bid, DENEL AERONAUTICS SOC LTD will invite Bidders to give a presentation to DENEL AERONAUTICS SOC LTD in relation to their submissions.

30.3 DENEL AERONAUTICS SOC LTD is under no obligation to undertake discussions with, any Bidders.

30.4 In addition to presentations and discussions, DENEL AERONAUTICS SOC LTD may request some or all Bidders to:

30.4.1 conduct a site visit, if applicable;

30.4.2 provide references or additional information; and/or

30.4.3 Make themselves available for panel interviews.

31. SUCCESSFUL BIDS

31.1 Selection as a successful Bidder does not give rise to a contract (express or implied) between the successful Bidder and DENEL AERONAUTICS SOC LTD for the supply of the Services. No legal relationship will exist between DENEL AERONAUTICS SOC LTD and a successful Bidder for the supply of the Services until such time as a binding contract is executed by them.

31.2 DENEL AERONAUTICS SOC LTD may, in its absolute discretion, decide not to enter into pre-contractual negotiations with a successful Bidder.

31.3 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.

32. NO OBLIGATION TO ENTER INTO CONTRACT

32.1 DENEL AERONAUTICS SOC 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 DENEL AERONAUTICS SOC 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 DENEL AERONAUTICS SOC LTD will be free to proceed via any alternative process.

32.2 DENEL AERONAUTICS SOC LTD may conduct a debriefing session for all Bidders (successful and unsuccessful). Attendance at such debriefing session is optional.

33. BIDDER WARRANTIES

33.1 By submitting a Bid, a Bidder warrants that:

33.1.1 it did not rely on any express or implied statement, warranty or representation, whether oral, written, or otherwise made by or on behalf of DENEL AERONAUTICS SOC LTD , its officers, employees, or advisers other than any statement, warranty or representation expressly contained in the RFT;

33.1.2 it did not use the improper assistance of DENEL AERONAUTICS SOC LTD 's employees or information unlawfully obtained from them in compiling its Bid;

33.1.3 it is responsible for all costs and expenses related to the preparation and lodgement of its Bid, any subsequent negotiation, and any future process connected with or relating to the Tendering Process;

33.1.4 it accepts and will comply with the terms set out in this RFT; and

33.1.5 It will provide additional information in a timely manner as requested by DENEL AERONAUTICS SOC LTD to clarify any matters contained in the Bid.

34. DENEL AERONAUTICS SOC LTD 'S RIGHTS

34.1 Notwithstanding anything else in this RFT, and without limiting its rights at law or Otherwise, DENEL AERONAUTICS SOC LTD reserves the right, in its absolute discretion at any time, to:

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

34.1.2 alter the structure and/or the timing of this RFT or the Tendering Process;

34.1.3 vary or extend any time or date specified in this RFT

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

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

34.1.6 provide additional information or clarification;

34.1.7 negotiate with any one or more Bidder;

34.1.8 call for new Bid;

34.1.9 reject any Bid received after the Closing Time; or

34.1.10 Reject any Bid that does not comply with the requirements of this RFT.

35. GOVERNING LAWS

35.1 This RFT and the Tendering Process are governed by the laws of the Republic of South Africa.

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

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

36. MANDATORY QUESTIONS

36.1 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; failure to do so result the Bid being treated as incomplete the Bid may be disqualified.

36.1.1

This Bid is subject to the General Conditions of Contract stipulated in this RFT document.	**Accept**	**Do not accept**

36.1.2

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

36.1.3

DENEL AERONAUTICS SOC LTD shall not be liable for any costs incurred by the Bidder in the preparation of response to this RFT. 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.	**Accept**	**Do not accept**

36.1.4

	Accept	**Do not accept**

DENEL AERONAUTICS SOC 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.		

36.1.5

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 all parties involved (certified)	**Accept**	**Do not accept**

36.1.6

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	**Accept**	**Do not accept**

36.1.7

DENEL AERONAUTICS SOC 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.	**Accept**	**Do not accept**

36.1.8

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

36.1.9

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

36.1.10

Where applicable, DENEL AERONAUTICS SOC LTD reserves the right to run benchmarks on the requirement, during the evaluation and after the evaluation.	**Accept**	**Do not accept**

36.1.11

DENEL AERONAUTICS SOC LTD reserves the right to conduct a pre-award survey during the source selection process to evaluate contractors' capabilities to meet the requirements specified in the RFT and supporting documents.	**Accept**	**Do not accept**

36.1.12

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

36.1.13

The Bidder should not qualify the proposal with own conditions. **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.	**Accept**	**Do not accept**

36.1.14

	Accept	**Do not accept**

Should the Bidder withdraw the proposal before the proposal validity period expires, DENEL AERONAUTICS SOC LTD reserves the right to recover any additional expense incurred by DENEL AERONAUTICS SOC LTD having to accept any less favourable proposal or the additional expenditure incurred by DENEL AERONAUTICS SOC LTD in the preparation of a new RFT and by the subsequent acceptance of any less favourable proposal.		

36.1.15

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. DENEL AERONAUTICS SOC 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. Such cancellation shall mean that DENEL AERONAUTICS SOC LTD reserves the right to award the same proposal to next best Bidders as it deems fit.	**Accept**	**Do not accept**

36.1.16

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

36.1.17

Any amendment or change of any nature made to this RFT shall only be of force and effect if it is in writing, signed by DENEL AERONAUTICS SOC LTD signatory and added to this RFT as an addendum.	**Accept**	**Do not accept**

36.1.18

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.	**Accept**	**Do not accept**

36.1.19

Bidders who make use of subcontractors. The proposal shall however be awarded to the Bidder as a primary contractor who shall be responsible for the management of the awarded proposal. A Bidder which was awarded the contract after scoring HDI / RDP goals is not allowed to subcontract more than 25% of the contract to a non-HDI entity. No separate contract shall be entered into between DENEL AERONAUTICS SOC LTD and any such subcontractors. Copies of the signed agreements between the relevant parties must be attached to the proposal responses. A list of potential sub-contractors must be presented with the bid.	**Accept**	**Do not accept**

36.1.20

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

36.1.21

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 delay's.	**Accept**	**Do not accept**

36.1.22

Evaluation of Bids shall be performed by an evaluation panel established by DENEL AERONAUTICS SOC LTD. Bids shall be evaluated on the basis of conformance to the required specifications as outlined in the RFT. Points shall be allocated to each Bidder, on the basis that the maximum number of points that may be scored for price is 90, and the maximum number of preference points that may be claimed for HDI (according to the PPPFA) is 10.	**Accept**	**Do not accept**

36.1.23

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

36.1.24

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

36.1.25

Should the evaluation of this Bid not be completed within the validity period of the Bid, DENEL AERONAUTICS SOC LTD has discretion to extend the validity period.	**Accept**	**Do not accept**

36.1.26

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.	**Accept**	**Do not accept**

36.1.27

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.	**Accept**	**Do not accept**

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……

37. STATEMENT OF WORK (TECHNICAL SPECIFICATION)

37.1. PURPOSE

This section present the technical specifications and modifications required to upgrade the Denel Aeronautics' Puma Main Gearbox test bench (C12) in order to meet the Airbus Helicopter requirements for accreditation for the maintenance, repair and overhaul of the following;

- Super Puma AS 332 Transport Helicopter Main Gearbox
- Rooivalk Fighter Helicopter Main Gearbox,
- SA330 Puma Helicopter Main Gearbox.

37.1. BACKGROUND

The Puma Main Gearbox test facility (C12) used for acceptance testing of Super Puma AS 332 Transport Helicopter and Rooivalk Fighter Helicopter main gearboxes has not been approved or certified Airbus Helicopters (former Eurocopter). Airbus Helicopter is the original equipment manufacturer (OEM) of AS332 Super Puma Gearbox (the Oryx Gearbox is identical), and from which the Rooivalk gearbox is derived. The primary reason for the failure to achieve certification was the lack of a **Torque Modulation Measurement System**. To circumvent this problem during the gearbox production, Airbus Helicopter initially approved an alternative temporary solution which involved the Denel "sign-off" of each test.

This detailed specification has been prepared by Denel Aeronautics to enable interested parties to prepare tender submissions for the modification of the Puma Main Gearbox Test Bench (C12). The intention of this project is to design, program, install, testing and commission the following systems.

- Torque Modulation Measurement System
- Vibration Measurement System
- Geometrical (alignment) Measurement System
- Manufacture Puma Gearbox Input Shaft Interface Components
- Reprogram/modify the current PLC (programmable logic controller) Programme

All interested parties are required to include in the submission the detail action plans presenting and demonstrating how they will comply with the Airbus Helicopter's acceptable criteria (see Annex A) for accreditation. All equipment shall be installed in accordance with the requirements of this specification.

37.2. SCOPE OF WORK

37.3 C12 AIRBUS HELICOPTER CERTIFICATION REQUIREMENTS

The overall objective of the contract is to modify the Denel Aeronautics' Puma Gearbox Test Bench (C12) to meet the requirements applicable to Airbus Helicopter's accreditation as specified in Annexure A of this document

This works will include the commissioning and approval from Airbus Helicopter. The main issues for bench accreditation are discussed below.

37.3.1 TORQUE MODULATION MEASUREMENT

It is required to measure input torque modulation on the test bench, primarily for test bench validation and bench acceptance by Airbus Helicopter. This is required to be carried out every twelve (12) months.

It is proposed to install two (2) procured commercially available **Torque Measurement Sensors,** to be installed on the test bench. These units will be installed in such a way that they are used for both Rooivalk Helicopter Gearbox and Super Puma AS 332 Helicopter Gearbox.

The high frequency torque modulation data will be collected on a procured stand-alone system designed to collect and analyse the data utilising a personal computer. This is considered the optimum solution because the PLC (Programmable Logic Controller) is unable to sample high frequency data, and additionally it is not required for each gearbox test executed on the bench.

Low frequency torque data will be directed to the C12 PLC for test execution. This will require a modification to the PLC by Gemsys. This transducer will replace the main gearbox torque sensor on the Super Puma AS 332, and the current LMI torque sensor used for Rooivalk test execution. The benefit will be that the Oryx Main Gearbox Torque sensor can be validated during the test, using the new torque sensor as reference.

During the technical visit as Airbus Helicopter, they have indicated acceptance of the type of torque sensors proposed, and we have also witnessed the installation on their test benches. Our proposed installation will be similar.

The work scope is summarized below.

1. Source and procure 2-off Torque Transducers
2. Define and procure the PC based measurement system
3. Design of torque transducer installation
4. Design of new interface drive shaft elements for Rooivalk and Super Puma AS 332
5. Manufacture of all hardware for installation
6. Update of PLC programme on C12 test bench for Torque measurement from new torque sensors
7. Integrate and commission torque measurement system

37.3.2 VIBRATION MEASUREMENT

It is required to measure input shaft vibration on the test bench primarily for test bench validation and acceptance by Airbus Helicopter. This is required to be carried out every twelve (12) months. There is currently no capability within C12 to measure this.

It is proposed to install four (4) procured commercially available **Accelerometers**, to be installed on the test bench. These units will be installed in such a way that they are used for both Rooivalk Helicopter Gearbox and Super Puma AS 332 Helicopter Gearbox.

The high frequency vibration data will be collected on a procured stand-alone system designed to collect and analyse the data utilising a personal computer. This is considered the optimum solution because the PLC is unable to sample high frequency data, and additionally vibration data it is not required for each gearbox test executed on the bench.

The work scope is summarized below.

1. Source and procure four (4)-off Accelerometers
2. Define and procure measurement instrumentation system
3. Design of accelerometer installation
4. Manufacture of all hardware for installation
5. Integrate and commission

37.3.3 GEOMETRICAL (ALIGNMENT) MEASUREMENT

It is required to measure the alignment of the following on the test bench, however, this alignment check normally requires the use of a "Reference Gearbox". This is a calibration jig/tool worth known geometrical compliance to the design.

Denel has requested the design data for such a gearbox. However, thus far it has not been provided by Airbus Helicopter. Considering also that we need something similar for Rooivalk Helicopter, it is proposed instead to make measurements on each gearbox prior to test, to ensure the shaft alignment is within limits. This method will be far cheaper, and will be suitable for us given the relatively small number of gearboxes tested.

The contractor must present this matter will have to Airbus Helicopter for acceptance.

37.3.4. ADAPTING THE C12 FACILITY FOR THE SA330 PUMA MAIN GEARBOX

The adaptation of C12 for the SA330 Puma gearbox is presented in this document based on the assumption that all items in sections (37.3.1 to 37.3.3) are already implemented. If this is not the case, then they will be required to be addressed in order to obtain Airbus Helicopter acceptance for the SA330 test bench.

Adaptation of the C12 bench to accommodate the SA330 main gearbox entails the following aspects.

37.4.1 GEARBOX INSTALLATION

A trail installation has been performed in C12. It has been confirmed that the gearbox physical installation can be achieved without modification to the bench itself. It is however required to design and manufacture **new input shaft interface components**, as the Puma Helicopter Gearbox shaft installation is different from the Super Puma AS 332 Helicopter.

37.4.2 PLC PROGRAMME CHANGES

The PLC (Programmable Logic Controller) program will need to be modified to provide for a Puma SA330 program, together with its test set-up values. A SA330 Test Report will also need to be generated.

37.4.2.1 TORQUE MODULATION AND VIBRATION MEASUREMENT

37.4.2.1.1 TORQUE AND TORQUE MODULATION

The first requirement is to display and record data of two additional torque values. A new transducer will be fitted to each of the input shafts. In the case of Super Puma AS 332 Helicopter and Rooivalk Helicopter gearbox this transducer will not necessarily be used for test control.

a) Display the mean value of the torque for each input shaft on a continuous basis using date filtered to 1 kHz (Display rate 1/second).
b) Display the calculated torque modulation at a display rate of every 1 second, calculated based on previous 10 seconds data filtered to 1000Hz, for 2 input shafts.
c) Record raw torque data vs time at <2.6 kHz sampling rate.
d) Record the calculated torque modulation data based on b) above.
e) Include the mean torque and torque modulation data on the Test record.

37.4.2.1.2 VIBRATION MEASUREMENT

Display and record vibration measurements of each input shaft, measured in horizontal(Y) and vertical (Z) radial axes. New accelerometers will be fitted to each of the input shafts.

a) Display all four (4) accelerometer vibration levels in mm/s, real time (continuously), filtered to 10 kHz. Acceptable or abort limits will be specified to aid monitoring.
b) Record raw vibration (mm/s) data vs time sampled at 25.6 kHz.
c) Include all four (4) accelerometer vibration levels in mm/s at a specified time on the Test record. (We require the level at a specific time in the test which will be the case for all tests)

37.4.3. INTRODUCTION OF PUMA GEARBOX TEST

After embodiment of section (37.4.2.1.1 to 37.4.2.1.2), introduce changes required for the Puma main gearbox. This will be a similar program as for Super Puma AS 332 Helicopter gearbox, but with the following changes.

a) The Puma gearbox does not have an integral torque shaft like the Super Puma AS 332 helicopter gearbox. Therefore the **New Torque Transducer** must be used for test control. It is envisaged to use the torque transducer introduced in 1.1 above.
b) Changes to power and/or speed values as compared to Super Puma AS 332 helicopter. The program structure remains the same.

37.4.4 SYSTEM INTERFACE MODIFICATIONS

There are some small changes necessary to adapt sensors to the SA330 gearbox.

37.4.5. APPROVAL DOCUMENTS

The success of the project will be subject to Airbus Helicopter Puma Main Gearbox Test Bench acceptance tests based on the following reports.

- Main Gearbox test report
- Report on the calibration of the measuring equipment.
- Report on the calibration of the torque
- Recording of torque pulsations.
- Recording of vibration levels.

The contractor must ensure the above reports meet the Airbus Helicopter technical specification as outlined in annexure A.

37.4.6. PROCURED MATERIAL AND PARTS

The successful tenderer will be obliged to provide any and all procurement information whether prepared by the tenderer directly or by his sub-contractor /supplier. It is mandatory that all parts be

procured from the original manufacture of the Denel Aeronautics' Puma Test Bench. Any deviation from this, a contractor shall inform Denel Aeronautic in writing.

Annexure A
37.5. MGB DYNAMIC TEST BENCHES APPROVAL CRITERIA DOCUMENT

ISSUING ORGANISATION		SECURITY CLASSIFICATION	
eurocopter an EADS Company		MILITARY SECRET	INDUSTRIAL SECRET
ISSUING DIRECTORATE: EDDD		FILING SITE: EDDDAB	
WRITTEN BY: D. HUILLET	DEPT: EDDDAB	SIGNATURE:	DATE:03/12/2009
WRITTEN BY:	DEPT: EDDDAB	SIGNATURE:	DATE:

Test Benches DEPT: EDDDAB NAME: M. SAISSET SIGNATURE: DATE:	ORIGINAL SIGNATURES ISSUING DIRECTORATE ORIGINAL SIGNATURES OTHER DIRECTORATES	Design Office DEPT: ETMT NAME: E. MERMOZ SIGNATURE: DATE:
Preparation for Installation DEPT: NAME: SIGNATURE: DATE:	TITLE MGB Dynamic Test Benches Approval Criteria	Quality Control DEPT: NAME: SIGNATURE: DATE:
DEPT: EDDDF NAME: M. RANCHIN SIGNATURE: DATE:		DEPT: NAME: SIGNATURE: DATE:

CIRCULATION (DEPTS)			
WITHIN ISSUING DIRECTORATE		OUTSIDE ISSUING DIRECTORATE	
ENTIRE DOCUMENT	SUMMARY (excluding appendices)	ENTIRE DOCUMENT	SUMMARY (excluding appendices)
EDDDAT EDDDAQ	EDDDA		ETMT
OUTSIDE EUROCOPTER			

Issue	DOCUMENT No	TITLE	ISSUE DATE	PAGE
A	82 00 03 27380	Approval Criteria for MGB Dynamic Test Benches	03/12/2009	1

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TABLE OF CHANGES

ISS.	MODIFIED PAGE(S)	DATE	DESCRIPTION OF MODIFICATION	WRITTEN BY	SERVICE MANAGER SIGNATURE	OTHER DIRECTORATES
A		03/12/2009	Original document	D. HUILLET		

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1. AIM

This document defines the approval criteria for dynamic test benches capable of accepting EUROCOPTER Main Gear Boxes (MGB).

2. APPROVAL CRITERIA

2.1. Measuring equipment check.

The uncertainties of the measurement equipment must remain within the tolerances defined below:

- Speed measurement channel: ± 0.5% of the MR,
- Torque measurement channel: ± 1% of the MR,
- Stress measurement channel: ± 1% of the MR,
- Temperature and pressure measurement channel: ± 1% of the MR.
- Flow measurement channel: ± 5% of the MR.

(MR: Measuring Range)

NB: The measurement channels are periodically calibrated and tested. These procedures are governed by the documents entitled "MAINTENANCE AND CHECK SHEETS ".

2.2. Geometric check.

This procedure will be carried out using a master tooling whose connection interfaces are identical to those of the MGB on the bench.

The method of alignment is defined in document EOM 6444 "PROCEDURE FOR CHECKING THE ALIGNMENT OF "BENCH / BOX" CONNECTIONS ON A TEST BENCH".

Permitted misalignments:

- Turbines / bench connection: 15' per flexible coupling.
- Tail rotor / bench connection: 15' per flexible coupling.
- Main rotor mast / bench connection:
  - Maximum permitted radial misalignment in accordance with "manufacturer" specifications and MGB Design Office,
  - Maximum permitted angular misalignment in accordance with "manufacturer" specifications and MGB Design Office.

2.3. Operating parameters check.

2.3.1. MGB parameters

An acceptance test will be carried out in accordance with the conditions defined in the reference documents. These documents will be referenced in the approval documents.

2.3.2. MRH stress output

These measurements will be taken using a master tooling and a stress measurement channel independent from the bench measurement system.

Maximum permitted stress modulation : +/- 2% max between 0-20 Hz

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2.3.3. Torque modulations

These measurements will be performed using torque cells (torque meters) installed on the bench.

Conditions for undertaking the measurement:
- torque meter output signal (filtered to 1,000 Hz) Length of recording = 10 sec.

Maximum permitted modulation tolerance:
- **Less than or equal to +/- 10%** of the value of the torque transmitted during sequence 4 (and higher power) on each engine inlet and **less than or equal to +/- 15%** of the value of the torque transmitted on the tail rotor outlet.

2.3.4. Vibration levels

These measurements will be undertaken using accelerometers installed on the bench on each engine inlet and tail rotor outlet.

Conditions for undertaking the measurement:
- 0-10 kHz in the 2 radial axes Y (horizontal) and Z (vertical).

Maximum permitted tolerance (in accordance with NFE.90300):
- Effective velocity 4.5 mm/s

3. APPROVAL DOCUMENTS

Each MGB / Bench torque will be the subject of an approval document specific to the version to be tested.

These approval documents will include the following information in the appendices:
- MGB test report.
- Report on the calibration of the measuring equipment.
- Report on the calibration of the torque, speed and stress measurement channels.
- Recording of torque pulsations.
- Recording of vibration levels.

The Approval Reports will be issued by the EUROCOPTER Quality Department after the results have been analysed.

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Annexure B

SBD 2

TAX CLEARANCE CERTIFICATE REQUIREMENTS

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

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

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

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

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

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

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

Note: Valid Original Tax Clearance Certificate is mandatory

Annexure C

DECLARATION OF INTEREST

1. Is the Bidder or any person connected with or employed by the Bidder or an entity which forms part of the Bidder, aware of any fact which may give rise to an actual or perceived conflict of interest on the part of the Bidder, DENEL AERONAUTICS SOC LTD or any person involved in the evaluation or adjudication of this Bid?

YES **NO**

2. If the answer to 1 above is "Yes", Bidders are required to set out, in detail immediately below, the facts which may give rise to an actual or perceived conflict of interest and identify the individuals to which those facts relate.

3. In addition, Bidders are required to complete the following:

3.1. Full Name of Bidder or his or her representative:
……

3.2. Identity Number:
……

3.3. Position occupied in the Company (director, trustee, shareholder1):
……

3.4. Company Registration Number:
……

3.5. Tax Reference Number:
……

3.6. VAT Registration Number: ……

3.7. The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / personnel numbers must be indicated in paragraph 4 below.

3.8. Are you or any person connected with the bidder presently employed by the state2?

YES **NO**

If so, furnish the following particulars:

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

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

---

1 "Shareholder" means a person who owns shares in the company.

2 "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.

Position occupied in the state institution:.....

Any other particulars:

.....
.....

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

3.8.1. 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**

If yes, did you attach proof of such authority to the bid document? (Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.)

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

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

3.9. 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**

If so, furnish particulars:

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

3.10. 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**

If so, furnish particulars:

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

3.11. 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**

If so, furnish particulars.

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

3.12. 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**

If so, furnish particulars:

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

4. Full details of owners, directors / trustees / members / shareholders.

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

DECLARATION

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

CERTIFY ON BEHALF OF THE BIDDER THAT THE INFORMATION FURNISHED IN THIS DEDCLARATION 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 D

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

1.2 The value of this bid is estimated to exceed R50 000 000 (all applicable taxes included) and therefore the 90/10 preference point 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.

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

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

1.5 Failure on the part of a bidder to 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 a sworn affidavit confirming annual turnover and level of black ownership in case of an EME and QSE together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

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

2. DEFINITIONS

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

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

(c) "**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;

(d) **"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;

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

(f) **"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;

(g) "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;

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

(i) "EME" means an Exempted Micro Enterprise as defines by Codes of Good Practice under section 9 (1) of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);

(j) **"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;

(k) **"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;

(l) **"non-firm prices"** means all prices other than "firm" prices;

(m) **"person"** includes a juristic person;

(n) **"QSE"** means a Qualifying Small EEnterprise as defines by Codes of Good Practice under section 9 (1) of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);

(o) **"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;

*(p) **"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;*

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

(r) **"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

(s) **"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 A bidder who qualifies as an EME in terms of the B-BBEE Act must submit a sworn affidavit confirming Annual Total Revenue and Level of Black Ownership.

5.3 A Bidder other than EME or QSE 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 1.4 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 a sworn affidavit.

8. SUB-CONTRACTING

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

(***Tick applicable box***)

YES		NO	

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.
(Tick applicable box)

YES		NO	

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. ..... 2.	..... SIGNATURE(S) OF BIDDERS(S) DATE:.....

Annexure E

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.**

tem	Question	Yes	No
4.1	**Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?** (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the *audi alteram partem* rule was applied). **The Database of Restricted Suppliers now resides on the National Treasury's website (www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.**	Yes ☐	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)? **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 F

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 *per se* prohibition meaning that it cannot be justified under any grounds.

3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:

a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.

b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.

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

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

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

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

_____

(Bid Number and Description)

in response to the invitation for the bid made by:

_____

_

(Name of Institution)

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

I certify, on behalf of:_____that:

(Name of Bidder)

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

    (a) Has been requested to submit a bid in response to this bid invitation;

    (b) Could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and

    (c) Provides the same goods and services as the bidder and/or is in the same line of business as the bidder

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium[3] will not be construed as collusive bidding.

SBD 9

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.
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.

[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.

.....

SignatureDate

.....

Position Name of Bidder

Annexure G

Bidders are required to include, as annexure H to their Bids, certified copies of all relevant CIPC registration documents listing all members with percentages, in the case of a close corporation

Annexure H

Bidders are required, as annexure I to their Bids, to submit certified copies of the latest share certificates of the company as well of all relevant companies

Annexure I

Bidders which submit Bids as an unincorporated joint venture, consortium or other association of persons are required to submit, as Annexure J, a breakdown of how the fees and work will be split between the various people or entities which constitute the Bidder.

Annexure J

Bidders are required to include, as Annexure K to their Bids, supporting documents to their responses to the Qualifying Criteria and Evaluation Criteria.

Where the supporting document is the profile of a member of the Bidder's proposed team, this should be indicated.

Annexure K

General Conditions of Contract

Annexure L

CSD Registration Summary Report

THE NATIONAL TREASURY

Republic of South Africa

GOVERNMENT PROCUREMENT:

GENERAL CONDITIONS OF CONTRACT

July 2010

GOVERNMENT PROCUREMENT

GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

(i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and

(ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

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

- The General Conditions of Contract will form part of all bid documents and may not be amended.

- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if (applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

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General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:

1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.

1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.

1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.

1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.

1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.

1.7 "Day" means calendar day.

1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.

1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.

1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.

1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

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

1.14 "GCC" means the General Conditions of Contract.

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

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

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

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

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

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

1.21 "Purchaser" means the organization purchasing the goods.

1.22 "Republic" means the Republic of South Africa.

1.23 "SCC" means the Special Conditions of Contract.

1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such

obligations of the supplier covered under the contract.

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

2. Application

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

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

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

3. General

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

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

4. Standards

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

5. Use of contract documents and information; inspection.

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

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

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

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

6. Patent rights

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

7. Performance security

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

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

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

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

(b) a cashier's or certified cheque

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

8. Inspections, tests and analyses

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

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

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

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

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

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

8.7 Any contract supplies may on or after delivery be inspected, tested or

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

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

9. Packing

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

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

10. Delivery and documents

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

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

(a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

(d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

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

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

14. Spare parts

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

(a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and

(b) in the event of termination of production of the spare parts:

(i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and

(ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

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

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

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

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

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

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

16. Payment

16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.

16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.

16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.

16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

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

18. Contract amendments

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

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

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

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

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

21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the

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

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

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

22. Penalties

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

23. Termination for default

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

(a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;

(b) if the Supplier fails to perform any other obligation(s) under the contract; or

(c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

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

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

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

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

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

may be due to him

25. Force Majeure

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

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

26. Termination for insolvency

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

27. Settlement of Disputes

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

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

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

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

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

(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
(b) the purchaser shall pay the supplier any monies due the supplier.

28. Limitation of liability

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

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

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

29. Governing language

29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

30. Applicable law

30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.

31. Notices

31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice

31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

32. Taxes and duties

32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

33. National Industrial Participation (NIP) Programme

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

34 Prohibition of Restrictive practices

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

34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

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