

**NATIONAL HOUSING FINANCE CORPORATION SOC LTD (NHFC)**

**BID NUMBER: NK01/01/2024**

**BID DESCRIPTION:** APPOINTMENT OF A SERVICE PROVIDER TO CONDUCT RESEARCH STUDY TO DETERMINE WAYS OF OPTIMISING HOUSING DELIVERY TO ADDRESS THE AFFORDABLE HOUSING BACKLOG IN SOUTH AFRICA



Issued by:
NHFC
<b>90 Grayston Drive 8<sup>th</sup> Floor, 90 Grayston Sandton</b>

**Full Name of Bidding/Tendering Entity:** \_\_\_\_\_

**Contact Person:** \_\_\_\_\_

**Tel Number:** \_\_\_\_\_

**Advert Date:** 19 January 2024

**Non-Compulsory Briefing Session:** 31 January 2024 at 11:00 (Via MS Team)  
**Meeting ID: 371 450 175 954**  
**Passcode: yarniw**

**Closing Date and Time:** 20 February 2024 at 11:00

**Bid enquiries:** Tenders01@nhfc.co.za

**Bidder's Authorised Signatory:**

**Initials and Surname:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

## BID DOCUMENTS CHECK LIST:

The contents of the BID document must be as follows, and numbered as per the numbering below, with each schedule punched, placed in a file and separated from the next schedule with a file divider.

Please complete the checklist below to verify your submission of the relevant documents:

Schedules	Description	Submitted – Indicate YES or NO
Annexure 1	Tax Compliance Status Pin	
Annexure 2	Copies of Company Registration Documents	
Annexure 3	Copy B-BBEE Certificate/ Sworn Affidavit	
Annexure 4	SBD 1: Invitation to Bid	
Annexure 5	SBD 3.3: Pricing Schedule	
Annexure 6	SBD 4: Bidder's Disclosure	
Annexure 7	SBD 6.1: Preference Point Claim Form in Terms of Preferential Procurement Regulations 2022	
Annexure 9	SBD 7.2 Contract Form Rendering of Services	
Annexure 10	Resolution to Sign	
Annexure 11	Signed and Initialized General Conditions of Contract (GCC)	
Annexure 12	One (1) original hard copy and a soft copy of the RFP (USB) must be submitted in a sealed envelope, appropriately addressed.	
Annexure 13	Protection of personal information Consent Form	
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## 1. OVERVIEW OF THE BIDDING PROCESS

The bidding process shall comprise of 3 main phases:

- 1) **Phase 1: Administrative Requirements** - which involves completing and submitting certain documents/information which will be considered when evaluating the proposal.
- 2) **Phase 2: Functionality qualification phase** – Bidders are required to score a minimum of **80 points** to qualify for the last evaluation phase.
- 3) **Phase 3: Evaluation based on the Price and Preference Points** - Bidders will be subjected to Preferential Procurement Framework Act.

## 2. TENDER CONDITIONS

- This bid is subject to the Preferential Procurement Framework Act 2000 and the Preferential Procurement Regulations, 2022, the general conditions of contract (GCC) and, if applicable, any other legislation or special conditions of contract.
- The lowest or any bid will not necessarily be accepted.
- NHFC reserves the right to reject submitted proposal if deemed necessary. Should it be discovered by the NHFC that the bidder did not act in good faith and/or has declared incorrectly/falsely, NHFC reserves the right to disqualify or reject the bid.
- The NHFC reserves the right to disqualify a bid proposal if the bidders' proposal is not compliant with the scope of work/terms of reference,
- The bidder is subjected to due-diligence process which includes, screening, vetting, and/or any best practice that may subject NHFC to comply with legislation and its Policies and Procedures.
- The NHFC reserves the right to disqualify a bid if the bidder fails to provide reasonable request (s) for documentation/information which the NHFC deems necessary for the purpose of evaluation within reasonable timelines this includes the set deadline per request,
- Bid rigging/collusive behavior by the bidder will result in disqualification. A bidder is not permitted to submit proposal from more than one registered company with a common director/shareholder.
- This bid is subject to the general Conditions Contract as stipulated in this invitation.
- The NHFC deems the Bidder has read and accepted these Conditions of Contract.
- Bidders must submit the bid in a hard copy format and a soft copy of the RFP (USB). The soft copy of these original sets of bid documents serves as the legal bid contract document and the master record between the bidder and the NHFC.
- In the event of any discrepancy between the evaluation copies and the master (original Soft copy) record, the master record will supersede the hard copy. Any discrepancy between the

original sets deposited to the NHFC and that kept by the bidder, the original set deposited with the NHFC is the master contract for both parties.

- The NHFC undertakes to pay out within 30 days from issuance of substantiated invoices issued in terms of this appointment (Payment schedule as defined in the service level agreement). No payment will be made on outstanding information not submitted by the service provider.
- NHFC is dedicated to operating in an ethical and honest manner, as well as to putting in place and upholding policies that ensure all forms of bribery, corruption, and fraud are avoided. NHFC has a no tolerance for acts of corruption or bribery. In all of our business interactions and the relationships we establish, we are dedicated to conducting ourselves in a professional, equitable, and honest manner.
- The NHFC reserves the right to reject submitted proposal(s) if it discovers that the bidder (or its directors/members) has any serious adverse reports, whether confirmed by a court or not, such as:
  - Being cited as aiding and abetting state capture,
  - Involvement in fraud and / or corrupt activities;
  - Misrepresenting audit outcomes of an organisation;
  - Listed on the National Treasury restricted database;
  - Being under investigation or facing allegations that may result in criminal charges; or
  - Any report as a result of which the NHFC may suffer reputational harm in any way by doing business with the bidder;.

**SBD 1 INVITATION TO BID – PART A**

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE NHFC SOC LTD.</b>					
BID NUMBER:	NK01/01/2024	CLOSING DATE:	20 February 2024	CLOSING TIME:	11:00
DESCRIPTION	APPOINTMENT OF A SERVICE PROVIDER TO CONDUCT RESEARCH STUDY TO DETERMINE WAYS OF OPTIMISING HOUSING DELIVERY TO ADDRESS THE AFFORDABLE HOUSING BACKLOG IN SOUTH AFRICA				
<b>BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)</b>					
90 Grayston Drive, 8 <sup>th</sup> Floor, 90 Grayston, Sandton					
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO</b>			<b>TECHNICAL ENQUIRIES MAY BE DIRECTED TO:</b>		
CONTACT PERSON	Khensani Zungu		CONTACT PERSON		
TELEPHONE NUMBER			TELEPHONE NUMBER		
FACSIMILE NUMBER	N/A		FACSIMILE NUMBER		
E-MAIL ADDRESS	<a href="mailto:tenders01@nhfc.co.za">tenders01@nhfc.co.za</a>		E-MAIL ADDRESS	<a href="mailto:tenders01@nhfc.co.za">tenders01@nhfc.co.za</a>	
<b>SUPPLIER INFORMATION</b>					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b>					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
<b>QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?				<input type="checkbox"/> YES <input type="checkbox"/> NO	

IF THE ANSWER IS “NO” TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.

**PART B**

**TERMS AND CONDITIONS FOR BIDDING**

**1. BID SUBMISSION:**

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**
- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
- 1.4. **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

**2. TAX COMPLIANCE REQUIREMENTS**

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

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

SIGNATURE OF BIDDER: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED: .....  
(Proof of authority must be submitted e.g., company resolution)

DATE: .....

## TENDER CONDITIONS

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### 3. DEFINITIONS

- (a) The word “Bidder” in these conditions shall mean and include any firm of Contractors, Suppliers, Service Providers or any company or body incorporated or unincorporated.
- (b) The word “Employer” in these conditions shall mean the NHFC.

### 4. ADMINISTRATIVE COMPLIANCE REQUIREMENTS

The following copies must be attached when returning the RFP:

- (a) Submission of the following Signed and Completed Standard Bid Documents (SBD) Forms
  - SBD 1: Invitation to Bid
  - SBD 3.3 Pricing Schedule
  - SBD 4: Bidders disclosure
  - SBD 6.1 Preference Points Claim Form in terms of preferential procurement
  - SBD 7.2 Contract Form – Rendering of Services
- (b) Tax Compliance Status Pin (TCS Pin);
- (c) Copy of Valid B-BBEE Certificate/ Sworn Affidavit (B-BBEE certificate issued by a SANAS accredited agency and the Sworn Affidavit signed by a commissioner of oaths and deponents);
- (d) Proof of Company Registration;
- (e) Identity Documents for Directors;
- (f) Current Copy of Central Supplier Database (CSD) Report;
- (g) Signed and initial General Conditions of Contract (GCC);
- (h) Protection of personal information Consent form
- (i) Consent For Credit and World Checks

**NB:** if the bidder failed to comply with any of the Administrative Compliance Requirements, or if the NHFC is unable to verify whether the Administrative Compliance Requirements are met, then the NHFC reserves the right to:

- Accept the bid for evaluation on condition that the bidder submits within 7 working days any supplementary information to achieve full compliance on Administrative Compliance Requirements.



All forms, annexures and addendums shall be signed and completed and returned with the Bid Document as a whole.

## **5. BID DOCUMENT**

- (a) The bid document must be completed in all respects in non-erasable ink.
- (b) Bids must be submitted on original bid documents.
- (c) Bid documents must remain intact and no portion may be detached.

## **6. PERIOD OF VALIDITY FOR BIDS AND WITHDRAWAL OF BID AFTER CLOSING DATE**

All Bids must remain valid for a period of **120 days** from the closing date as stipulated in the Bid document.

## **7. VALUE ADDED TAX**

In calculating the cost of the supply and delivery of services and / or material, the supplier will issue a "Tax Invoice" for all services rendered and / or materials supplied, which will reflect the exclusive cost of such services, goods or materials with the relevant Value Added Tax being added to the total. VAT must be included in the Bid price but must be shown separately.

## **8. AUTHORITY TO SIGN BID DOCUMENTS**

In the case of a Bid being submitted on behalf of a company, close corporation or partnership, evidence must be submitted to the employer at the time of submission of the Bid that the Bid has been signed by persons properly authorised thereto by resolution of the directors or under the articles of the entity.

## **9. SUBMITTING OF BIDS**

Bids must be submitted in sealed envelopes clearly marked **APPOINTMENT OF A SERVICE PROVIDER TO CONDUCT RESEARCH STUDY TO DETERMINE WAYS OF OPTIMISING HOUSING DELIVERY TO ADDRESS THE AFFORDABLE HOUSING BACKLOG IN SOUTH AFRICA**. The Bid must be deposited in the bid box during normal office hours viz. 08:30 – 16:30 Mondays to Fridays at the below address:

**90 Grayston Drive  
8<sup>th</sup> Floor,  
90 Grayston,  
Sandton**

## **10. CLOSING DATE AND TIME**

Bid should reach the above address for submission by no later than **11:00 a.m. on 20 February 2024**. No late bids will be accepted or considered.

## 11. BID ENQUIRIES

Please refer all enquiries to the below mentioned persons for assistance during normal office hours viz. 08:30 – 16:30 Mondays to Fridays.

### All Enquiries

Name: Khensani Zungu

Email address: [Tenders01@nhfc.co.za](mailto:Tenders01@nhfc.co.za)

## 12. JOINT VENTURE REQUIREMENTS

**DEFINITION:** - “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.

Should a group of companies/firms and/or interested parties wish to enter into a joint venture/consortium agreement the following minimum requirements must be met: -

- (a) A properly signed copy of the joint venture/consortium agreement must be attached.
- (b) Each member of the joint venture/consortium must provide a Tax Clearance Certificate.
- (c) After the award of a contract to a joint venture/consortium, the successful joint venture group or consortium must provide a combined joint venture/consortium Tax Clearance Certificate.
- (d) After the award of a contract to a joint venture/consortium, the successful joint venture group or consortium must provide the details of the joint venture / consortium banking details.
- (e) A trust, consortium or joint venture will qualify for preference points as a legal entity, provided that the entity submits the required proof for claiming preference points.  
A trust, consortium or joint venture will qualify for preference points as an unincorporated entity, provided that the entity submits the required proof for claiming preference points as if they were a group structure.

### 12.1 THE JOINT VENTURE/CONSORTIUM AGREEMENT MUST CONTAIN THE FOLLOWING: -

- (a) Who the managing member will be?
- (b) Who the signatory of authority will be?
- (c) How the joint venture/consortium share of profit will be split.
- (d) The bank account details where payments will be deposited into.
- (e) The agreement must be signed by all parties.
- (f) The agreement must be certified by a Commissioner of Oaths.
- (g) The postal and physical address where all correspondence will be sent to.

# TERMS OF REFERENCE

## 1. INTRODUCTION

The NHFC, is a public entity listed as a Schedule 3A of the Public Finance Management Act (PFMA) of 1999. The entity was established by the National Department of Human Settlements (NDOHS) as a development finance institution (DFI) in 1996, with the mandate of broadening access to affordable housing for the low- and middle-income households. NHFC as a national public entity adheres to the regulatory framework of the Public Finance Management Act (PFMA) of 1999.

The NHFC operates largely as a wholesale funder providing funding in the affordable housing market through a network of clients that include social housing institutions, property developers and investors, non-banking retail intermediaries. In addition, it facilitates implementation of a programme on behalf of the Department of Human Settlements which is focused on providing a subsidy for homeowners, known as the First Home Finance Programme. The entity also provides programme management services to augment capacity of provincial and local government in the implementation of various housing programmes. The company operates nationally mostly through intermediaries operating in the four (4) main financing channels, namely, the residential developer financing channel, the Social Housing institution /Other Delivery Agents (ODA) financing channel, the contractor financing channel as well as the incremental housing intermediary financing channel. In addition to providing loans to its intermediary partners, the company also provides other forms of funding in the form of strategic investments such as equity and quasi equity to certain niche businesses in the affordable housing value chain.

## 2. POLICY CONTEXT—HUMAN SETTLEMENTS DEVELOPMENT

The National Comprehensive Plan for Human Settlement (2004), also known as the Breaking New Ground (BNG), shifted emphasis from *Housing* to *Integrated Sustainable Human Settlements*, seeking to create non-racial integrated societies that are in well designed and located areas with access to adequate socio-economic infrastructure and job opportunities. The BNG targets housing as a key strategy for poverty alleviation, utilizing the provision of housing as a job creation strategy, as an asset for wealth creation, to leveraging growth in the economy and combating crime and improving quality of life for the poor.

Among the key principles of creating integrated human settlements are the following:

- Building homes in well located land in relation to economic opportunities;
- Ensuring access to services such as water, energy, and sanitation;

- Where homes are delivered, there must be social amenities such as schools, health care facilities, parks and so on.
- Settlements must be integrated to transport infrastructure systems and communications infrastructure.

In this context, therefore, delivery is not just houses, but homes in settlements that contribute to spatial transformation.

### **3. ESTABLISHMENT OF HUMAN SETTLEMENTS DEVELOPMENT BANK**

As the human settlements DFI, NHFC supports the NDOHS in its objective to achieve its constitutional mandate of human settlements delivery throughout the country.

The National Department of Human Settlements has committed itself to the establishment of a Human Settlements Development Bank (“HSDB”) in support of the entire human settlements’ delivery value-chain. In this regard, NHFC is in transition phase to becoming the HSDB.

The process of establishing the HSDB entails approval by the relevant authorities of the HSDB Policy, HSDB Business Case and the draft HSDB Bill. After this step, the HSDB Enabling Legislation will be considered by Parliament and once passed by Parliament and signed into law by the President, NHFC will become the HSDB. The timeframe for full establishment of HSDB is yet to be determined.

### **4. PROBLEM STATEMENT**

South Africa is facing a persistent and dynamic challenge of an affordable housing backlog, which continues to grow over time. The NHFC is undergoing a transition to the HSDB. This transition presents a critical juncture for the NHFC to play a pivotal role in transforming the housing ecosystem. The NHFC must establish a comprehensive understanding of the backlog, determine annual housing delivery targets, and address potential gaps to effectively optimize its housing delivery.

### **5. BACKGROUND AND THE OBJECTIVE OF THE PROJECT**

The NHFC is in the process of being converted to the Human Settlements Development Bank. As part of this process at its strategic planning session in June 2022, the Board and Executive decided that the company needs to act as a catalyst for a thriving ecosystem that has the capacity to fund and facilitate the delivery of decent homes to meet the demand of the gap or affordable housing market in South Africa. The ultimate goal is to ensure that the affordable housing backlog is eliminated by 2032, two years later than set out in the National Development Plan. To do this

the entity needs to determine the extent of the problem that the human settlements ecosystem seeks to address—i.e., eliminating affordable housing backlog by 2032.

The NHFC, therefore, seeks to appoint a suitably qualified and experienced research organisation to conduct research to determine the size of the affordable housing backlog in South Africa. The research study extends beyond quantifying the housing backlog. The objective of the study also includes identification of solutions that the organisation can adopt to meet the stated strategic objective and identification of gaps within the existing product offering of the NHFC that is hindering the organisation from delivering affordable housing solutions within the eco-system at an accelerated larger scale. As part of its mandate, the NHFC should provide robust, relevant and timely research and market analysis to the players in the ecosystem of the human settlements value chain. This is in line with the role of NHFC of being a market orchestrator and coordinator in ensuring that the ecosystem delivers across the value chain in meeting the 2032 goal of eliminating housing backlog in the affordable housing market by 2032.

Key in achieving the 2032 goal are two strategic priorities that the Board and the Executive of the NHFC have identified to complete the transition to the HSDB and catalyse the market:

<b>Strategic Priority</b>	<b>Outcome</b>
<b>1. Accelerate delivery</b>	The Human Settlements Value Chain (“the ecosystem”) has closed the South African affordable housing backlog.
<b>2. Maximise impact</b>	The HSDB, through its products and partnerships, maximises its sustainable socio-economic impact.

To achieve the 2032 goal requires a deeper understanding of the needs and requirements of the market that NHFC serves.

## **6. CONTRACT DURATION**

The contract duration is estimated to be 9 (nine) months from date of appointment of the service provider.

## **7. HIGH LEVEL DESCRIPTION OF NHFC DELIVERY PRODUCTS AND SERVICES**

The NHFC facilitates end to end solutions which addresses the human settlement funding and financing needs, by providing various funding instruments to suit specific interventions. The end-user market of NHFC products are households whose monthly income is up to R22 000. However, there are anecdotes that households between R22 000 and R30 000 are finding it difficult to afford access to housing given the inflation of building materials and inflation in general that has led to high interest rates. Traditionally, the entity has delivered various types of affordable housing in the following sectors:

- social housing rental;
- private affordable rental housing;

- affordable housing (home ownership)—i.e., newly built full-title and sectional title housing (home ownership);
- fully subsidised (free) houses (commonly known as RDP houses) and
- incrementally built houses.

In addition to the lending products that enable NHFC to deliver in the above listed sectors, the entity also delivers on affordable housing through the following programmes:

- Facilitation of First Home Finance Subsidy Programme;
- Programme management services which include supporting self-help housing programmes, and managing enterprise development (enterprise incubation) programmes in the human settlements sector.

As NHFC prepares to become the HSDB, it is also exploring new products through which it will scale up delivery of affordable housing by catalysing the ecosystem in the human settlements value chain.

## 8. SCOPE OF WORK

As mentioned above, the objective of this project is to assist NHFC and the sector to get a clear picture of the affordable housing backlog to better quantify annual delivery of homes by the human settlements ecosystem and ensure that the backlog is eliminated by 2032. The research study is also intended to identify solutions that the organisation and the sector can adopt to meet the stated strategic objective and identification of gaps within the existing product and service offerings of the NHFC and the sector that is hindering the organisation and the sector from delivering affordable housing solutions within the eco-system at an accelerated pace and at a larger scale. Delivery of homes is planned for both urban and rural areas as NHFC must deliver in line with the District Development Model.

Within the housing sector in general, different role players define affordable housing differently. For the purposes of this research study, affordable housing is defined and segmented into the following two categories;

1. BNG housing market, being household income range of R0 – R3,500.00
2. GAP market, being household income range of R3,501.01 – R22,000.00

NB: There is a category that is misaligned between the industry players, and this is termed the “Missing Middle”, which categorises household income range of R22,001.01 – R30,000.00 <sup>1</sup>

It is recognised that there are various factors that impact on the delivery of affordable housing, and these include, but are not limited to, inadequate supply of suitable and well-located land,

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<sup>1</sup> Government defines households whose monthly income is between R3 501 and R22 000 as Gap Market, whereas the Banking Association of South Africa defines households whose monthly income is between R3 501 and R29 600 as Affordable Housing Market. Missing middle, therefore, defines those households whose monthly income is above R22 000, but below R30 000.

slow regulatory processes, delays and costs in providing bulk infrastructure and new services. While these factors impact mainly affordable housing in urban areas, factors that impede delivery in rural areas also need to be well understood.

In this context, the scope of this project includes the following:

- Providing a definition of *affordable home* concept that informs the output of this project;
- Unpacking factors that have impact on delivery of affordable housing in both urban and rural areas;
- Mapping out housing backlog by the defined three market categories in both urban and rural areas;
- Providing a critical analysis of factors affecting supply and demand of homes in the three market categories
- Mapping affordable housing backlog in urban and rural areas;
- Identification of best rural housing typologies delivered on a self-help basis, including services or services to best deliver these for the rural market;
- Review of existing research done around backyard rental. How NHFC can support and play in this market
- Identification of gaps within the existing product and service offering of the NHFC
- A clear outline of trends that have evolved over the past five years or more, indicating the movements in tenure preference, influenced by the impact of the economic variables, e.g. interest rates, sluggish economic growth
- Proposal of solutions to address the identified gaps that will fit the defined affordable housing market better to accelerate delivery of homes;

Mapping of the backlog must be presented by Province, Metro, District Municipality as NHFC plans its delivery in line with the District Development Model.

This project entails both secondary and primary research in that the appointed service provider is expected to;

- conduct a review of literature and reports about affordable housing and housing backlog, as well as factors impacting on delivery of affordable housing;
- engage various key informants and stakeholders in the field of affordable housing; and
- Collect and analyse data in line with the requirements of this project.

## 9. EXPECTED DELIVERABLES

The deliverables resulting from the above provided scope of work shall be detailed written reports and presentation of results based on the service provider’s findings.

Number	Derivable
Deliverable 1	Inception report detailing project plan and support required from the NHFC.
Deliverable 2	Written report covering definition of gap and affordable home concept and detailed analysis of factors affecting supply and demand of affordable housing delivery in South Africa.
Deliverable 3	Data collection and analysis.

Number	Derivable
Deliverable 4	Detailed Report that: <ul style="list-style-type: none"> <li>• Maps out housing backlog by the defined three market categories.</li> <li>• Maps out affordable housing backlog in urban and rural areas</li> <li>• Identifies gaps within the current product and service offering</li> <li>• Solutions to address the identified gaps in each market category</li> </ul>
Deliverable 5	Consolidated Final Report: Once draft reports have been presented to the NHFC, the service provider will be required to present the final report that incorporates feedback from NHFC on the drafts. The report must be in Word format as well as PowerPoint presentation to the NHFC and any other form in which data has been gathered. All data and information collected as well as contact persons for information is to be compiled in a register in electronic and hard copy for the NHFC.
Deliverable 6	Project Close Out Report

## 10. EXPERIENCE AND QUALIFICATIONS OF KEY PERSONNEL

The researchers are expected to have the following qualifications and experience:

- Hold at least a Master's degree in any of the following fields or disciplines; Public Policy, Economics, Applied Statistics/Data Science, Public Finance, Political Science, Urban and Regional Planning / Town Planning, Public Administration, or related Social Science.
- A PhD in the above fields will be an added advantage.
- Have at least 8 years' demonstrable research experience in development finance.
- Demonstrate advanced report writing, research and analytical skills through publications.
- Demonstrate a skilled ability to manage complex research projects that require public sector stakeholder engagement.

## 11. PROJECT MANAGEMENT ARRANGEMENTS

NHFC will appoint a Project Manager who will be the contact person that will liaise with the appointed Service Provider and provide overall management of the project to ensure that the project is executed on time and within the budget.

Furthermore, NHFC will establish the Project Management Committee (PMC) to whom the service provider will present deliverables of the project. The PMC will provide consider presentation of project deliverables and give feedback to the service provider for incorporation into the final report.

The appointed service provider is expected to present, as part of the inception report, the Project Workplan that will show delivery of milestones that will inform engagements with the PMC.

**Note:** The NHFC operates on a hybrid working model, in this regard, engagements with the Project Manager and the Project Management Committee may be physical or virtual.



Therefore, appointed service provider should make required provision of virtual meetings via MS Teams.

## 12. PROPOSAL COST

Bidders shall bear all costs incurred in the process of responding to the RFP and in any subsequent negotiation.

## 13. BID EVALUATION CRITERIA

### Criterion 1 – Administrative Compliance Requirements

This stage checks and validates the bidders' compliance to the legal requirements to conduct business in South Africa, as well as to the industry requirement for the supply of goods and services. All SBDs must be submitted (signed) noting where it is not applicable. If any specific SBD is not submitted, documentary proof, clearly stating the reason must be attached.

### Criterion 2 – Functionality [Technical Evaluation]

Functionality is worth 100 points. The minimum threshold is **80** points. Bidders who score less than **80** points on functionality will therefore be disqualified. Those who score more than **80** points will be further evaluated in terms of price and preference points. The functionality evaluation is broken down as follows.

The contents of the BID document must be as follows and numbered as per the numbering below.

- Electronic/ soft copy (Master copy) – each schedule on its own folder and labeled per below Annexure number and description.
- Physical/hard copy – Each Annexure labeled per below number and description, punched and separated by file divider.

Schedules		Description
Annexure	15	Reference Letters
Annexure	16	Work Plan / Project Schedule
Annexure	17	Methodology and Technical Approach
Annexure	17	Key Personnel Experience and Qualifications
Bidder's Capacity	18	Bidder's Capacity

No.	EVALUATION CRITERIA	Points
1.	<p><b>Bidder's Past Relevant Experience and Track Record</b></p> <p>Bidder must demonstrate relevant research experience in similar work and must submit recent reference letters in respect of similar work undertaken. The reference letters must be in the form of written proof on the referees' letterheads.</p> <p>To demonstrate knowledge and experience, the bidder must submit a minimum of five (5) client reference letters where the bidder has successfully concluded similar work and complexity in the <b>past ten (10) years</b>.</p> <p>Submitted client reference letters to contain <b>at least the following information</b>;  Client name, Client industry, Expanded description of services conducted, Appointment period (start and end dates); Details of the referee (name, designation, contact details). Reference letters should be signed and dated by an appropriate previous client delegate. Reference letter should indicate the quality of the service received by the previous client. Reference letters with exactly the same wording on different letterheads may be treated as one letter. ....  <i>(Annexure 15 - Reference Letters)</i></p>	15
	<ul style="list-style-type: none"> <li>• Submission of five (5) written reference letters demonstrating experience in research experience in development finance or financial services</li> <li>• Submission of four (4) written reference letters demonstrating experience in research experience in development finance or financial services</li> <li>• Submission of three (3) written reference letters demonstrating experience in research experience in development finance or financial services</li> <li>• Submission of two (2) written reference letters demonstrating experience in research experience in development finance or financial services</li> <li>• Submission of one (1) written reference letter demonstrating experience in research experience in development finance or financial services</li> <li>•</li> </ul>	<p>15</p> <p>12</p> <p>9</p> <p>6</p> <p>3</p>
2.	<p><b>Work Plan / Project Schedule</b></p> <p>Score will be based on a project schedule (Gant Chart) that is realistic and meets the NHFC's timeline requirements (9) months.  Project plan must include costing and timelines.  Provide a project schedule that incorporates <b>all</b> the major milestones, for example:</p> <ul style="list-style-type: none"> <li>• Phase 1 – Inception report</li> <li>• Phase 2 – Preliminary investigation of the market</li> <li>• Phase 3 – Development of research instruments</li> <li>• Phase 4 – Field work and data collection</li> <li>• Phase 5 – Data analysis and presentation of the results</li> </ul> <p>Ensure provided information is legible.  <i>(Annexure 16 - Work Plan / Project Schedule)</i></p>	15
	<ul style="list-style-type: none"> <li>• Listed all key milestones in detail, with activities indicated on the schedule aligned with the preferred duration of the project, showing the critical path, proper sequencing of activities and clear understanding of the scope of work. Project plan includes costing and timelines.</li> </ul>	15

No.	EVALUATION CRITERIA		Points
	<ul style="list-style-type: none"> <li>Listed 4-5 milestones, with activities indicated on the schedule aligned with the preferred duration of the project. Project plan includes costing and timelines.</li> </ul>	10	
	<ul style="list-style-type: none"> <li>Listed 0-3 milestones, with activities indicated on the schedule aligned with the preferred duration of the project. Project plan includes costing and timelines.</li> </ul>	0	
3.	<p><b>Methodology and Technical Approach</b></p> <p>Bidder must provide a <b>well-structured</b> approach and methodology to be followed in delivering the research study.</p> <p><i>(Annexure 17 - Methodology and Technical Approach)</i></p>		20
	The methodology and technical approach is comprehensive and addresses all requirements in detail; and the bidder has aligned the approach with the terms of reference.	20	
	The methodology and technical approach is brief/limited and addresses all requirements in detail; however bidder has aligned the approach with the terms of reference.	30	
	The methodology and technical approach only meet some of the requirements of the terms of reference.	10	
	No methodology and technical approach to address the requirements of the terms of reference.	0	
4.	<p><b>Key Personnel Experience and Qualifications</b></p> <p>Bidder must demonstrate adequate experience through the qualifications and experience of the three roles demonstrated below.</p> <p>a) Team Leader /Project Manager b) Financial Sector Expert c) Senior Researcher</p> <p>Complete provided forms to summarise qualifications and experience (include details of projects worked on including roles, duration as well as names and contact persons of previous clients).</p> <p>Provide <b>abridged CV</b> and certified copies of listed qualifications for above three roles.</p> <p><i>(Annexure 17 - Key Personnel Experience and Qualifications)</i></p>		40
	a) <b>Team Leader /Project Manager</b> is suitably qualified, skilled and experienced		10
	<b>Qualifications:</b>		
	<ul style="list-style-type: none"> <li>PhD in related field</li> </ul>	5	
	<ul style="list-style-type: none"> <li>Master's in related field</li> </ul>	3	
	<ul style="list-style-type: none"> <li>Any other qualification not equivalent to Master's/PhD in related field</li> </ul>	0	
	<b>Experience:</b>		
	Must have at least 8 years of experience in related work		
	<ul style="list-style-type: none"> <li>8+ years related experience</li> </ul>	5	
	<ul style="list-style-type: none"> <li>5-7 years related experience</li> </ul>	3	
	<ul style="list-style-type: none"> <li>Less than 5 years related experience</li> </ul>	0	

No.	EVALUATION CRITERIA	Points
	<b>b) Financial Sector Expert</b> is suitably qualified, skilled and experienced	<b>15</b>
	<b>Qualifications:</b>	
	• PhD in related field	5
	• Master's in related field	3
	• Any other qualification not equivalent to Master's/PhD in related field	0
	<b>Experience:</b>	
	Must have at least 8 years of experience in related work	
	• 8+ years related experience	10
	• 5-7 years related experience	5
	• Less than 5 years related experience	0
	<b>c) Senior Researcher</b> is suitably qualified, skilled and experienced	<b>15</b>
	<b>Qualifications:</b>	
	• PhD in related field	5
	• Master's in related field	3
	• Any other qualification not equivalent to Master's/PhD in related field	0
	<b>Experience:</b>	
	Must have at least 8 years of experience in related work	
	• 8+ years related experience	10
	• 5-7 years related experience	5
	• Less than 5 years related experience	0
<b>5.</b>	<b>Bidder's Capacity</b>  Bidders must provide organisational structure reflecting size of the organisation and additional staff members to be allocated to this project and positions of those staff members.  <i>(Annexure 18 - Bidder's Capacity)</i>	<b>10</b>
	• Organisational structure reflects well capacitated organisation (more than 20 employees, including outsourced/ contracted resources)	10
	• Organisational structure reflects inadequately capacitated organisation (less than 20 employees, including outsourced/ contracted resources)	0
	<b>Total</b>	<b>100</b>

**Proposed Team Composition Form**

No.	Name and Surname	Designation	Role in the project
1.			Team Leader /Project Manager
2.			Financial Sector Expert
3.			Senior Researcher

**NB** Complete below form for each proposed team member

**Proposed Team Member # 1**

**Role in the Project:** Team Leader /Project Manager

Name and Surname: \_\_\_\_\_

Current position (Designation): \_\_\_\_\_

**Qualifications**

<b>Qualification</b>	<b>Institution</b>	<b>Year Obtained</b>
1.		
2.		
3.		
4.		

**Experience and Skills**

<b>Experience – similar projects and role</b>	<b>Experience No. of Years</b>

# 1 - Provide Abridged CV and Certified Copies of Listed Qualifications

**Proposed Team Member # 2**

**Role in the Project:** \_\_\_\_\_ Financial Sector Expert

Name and Surname: \_\_\_\_\_

Current position (Designation): \_\_\_\_\_

**Qualifications**

<b>Qualification</b>	<b>Institution</b>	<b>Year Obtained</b>
1.		
2.		
3.		
4.		

**Experience and Skills**

<b>Experience – similar projects and role</b>	<b>Experience No. of Years</b>

# 2 - Provide Abridged CV and Certified Copies of Listed Qualifications

**Proposed Team Member # 3**

**Role in the Project :** \_\_\_\_\_ Senior Researcher

Name and Surname: \_\_\_\_\_

Current position (Designation): \_\_\_\_\_

**Qualifications**

<b>Qualification</b>	<b>Institution</b>	<b>Year Obtained</b>
1.		
2.		
3.		
4.		

**Experience and Skills**

<b>Experience – similar projects and role</b>	<b>Experience No. of Years</b>

# 3 - Provide Abridged CV and Certified Copies of Listed Qualifications



**Criterion 3 – Price and Preference Evaluation**

Bidders who score a minimum of **80** points on **Functionality [Technical Evaluation]** will be further evaluated in terms of Price and Preference points. As per the table below, price is evaluated over 80 points and preference points over 20:

As per the table below, price is evaluated over 80 points and preference points over 20:

1	<b>Price</b>		<b>80 points</b>
2	<b>Specific Goals</b>		<b>20 points</b>
#	<b>Specific Goal</b>	<b>Proof</b>	<b>Points Allocation</b>
1	South African citizen who had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act 200 of 1983) or the Constitution of the Republic of South Africa, 1996. (Minimum >50% ownership or more)	<ul style="list-style-type: none"> <li>• Company Registration Certification (CIPC)</li> <li>• Certified identification documentation of company director/s</li> <li>• CSD report/ CSD registration number (MAAA number)</li> </ul>	<b>7</b>
2	Woman Ownership >50%	<ul style="list-style-type: none"> <li>• Company Registration Certification (CIPC)</li> <li>• Certified identification documentation of company director/s</li> <li>• CSD report/ CSD registration number (MAAA number)</li> </ul>	<b>8</b>
3	Disabled Ownership >50%	<ul style="list-style-type: none"> <li>• Company Registration Certification (CIPC)</li> <li>• Certified identification documentation of company director/s</li> <li>• CSD report/ CSD registration number (MAAA number)</li> <li>• Certified medical certificate from a registered medical practitioner</li> </ul>	<b>1</b>
4	Military veteran Ownership >50%	<ul style="list-style-type: none"> <li>• Company Registration Certification (CIPC)</li> <li>• Certified identification documentation of company director/s</li> <li>• CSD report/ CSD registration number (MAAA number)</li> <li>• A verifiable letter from an authorised body/entity certifying the military status of the claimant (bidder).</li> </ul>	<b>1</b>

5	Youth Ownership >50%	<ul style="list-style-type: none"><li>• Company Registration Certification (CIPC)</li><li>• Certified identification documentation of company director/s</li><li>• CSD report/ CSD registration number (MAAA number)</li></ul>	<b>3</b>
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**PRICING SCHEDULE**

**SBD 3.3**

**PRICING SCHEDULE**  
**(Professional Services)**

NAME OF BIDDER.....	BID NO.:.....
CLOSING TIME 11:00	CLOSING DATE: 20 FEBRUARY 2024

OFFER TO BE VALID FOR **120** DAYS FROM THE CLOSING DATE OF BID.

**BIDDERS MUST PROVIDE THEIR PRICING BREAKDOWN FOR THE DURATION OF THE CONTRACT.**

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

- The accompanying information must be used for the formulation of proposals.
- Bidders are required to indicate a Total Ceiling Price **R**.....
- PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND

RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)

4. PERSON AND POSITION	HOURLY RATE	DAILY RATE
-----	R-----	-----
-----	R-----	-----
-----	R-----	-----
-----	R-----	-----
-----	R-----	-----

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

-----	R-----	days
-----	R-----	days
-----	R-----	days
-----	R-----	days

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

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
.....	.....	.....	R.....
.....	.....	.....	R.....
.....	.....	.....	R.....
.....	.....	.....	R.....
<b>TOTAL:</b>			R.....

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

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

**DESCRIPTION OF EXPENSE TO BE INCURRED**

RATE	QUANTITY	AMOUNT
.....	.....	R.....
.....	.....	R.....
.....	.....	R.....
.....	.....	R.....
<b>TOTAL:</b>		R.....

6. Period required for commencement with project after acceptance of bid  
.....

7. Estimated man-days for completion of project.....

8. Are the rates quoted firm for the full period of contract? \*YES/NO

9. If not firm for the full period, provide details of the basis on which adjustments will be applied f for example consumer price index.  
example consumer price index.

.....  
.....

**BIDDER'S DISCLOSURE**

**1. PURPOSE OF THE FORM**

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

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

**2. Bidder's declaration**

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest<sup>2</sup> in the enterprise, employed by the state? **YES/NO**

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

Full Name	Identity Number	Name of State institution

2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:  
 .....  
 .....

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

2.3.1 If so, furnish particulars:  
 .....  
 .....

<sup>2</sup> the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

**3 DECLARATION**

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

- 3.1 I have read, and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect.
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT. I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

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

<sup>3</sup> 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.

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

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

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

### 1. GENERAL CONDITIONS

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

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

### 1.2 To be completed by the organ of state

*(delete whichever is not applicable for this tender).*

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

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

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

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

The maximum points for this tender are allocated as follows:

	<b>POINTS</b>
<b>PRICE</b>	<b>80</b>
<b>SPECIFIC GOALS</b>	<b>20</b>
<b>Total points for Price and SPECIFIC GOALS</b>	<b>100</b>

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

## 2. DEFINITIONS

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

## 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1. POINTS AWARDED FOR PRICE

#### 3.1.1 THE 80/20 PREFERENCE POINT SYSTEMS

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

**80/20**

$$Ps = 80 \left( 1 - \frac{Pt - Pmin}{Pmin} \right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender



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

#### 3.2.1. POINTS AWARDED FOR PRICE

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

**80/20**

$$Ps = 80 \left( 1 + \frac{Pt - Pmax}{Pmax} \right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmax = Price of highest acceptable tender

### 4. POINTS AWARDED FOR SPECIFIC GOALS

4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

(a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or

(b) any other invitation for tender, that either the 80/20 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

then the organ of state must indicate the points allocated for specific goals for both the 80/20 preference point system.

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

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

The specific goals allocated points in terms of this tender	Supporting evidence for meeting preferential procurement targets (bidder to provide the below supporting evidence to claim allocated points for each specific goal)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
<p>South African citizen who had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act 200 of 1983) or the Constitution of the Republic of South Africa, 1996.</p> <p>(Minimum &gt;50% ownership or more)</p>	<ul style="list-style-type: none"> <li>• Company Registration Certification (CIPC)</li> <li>• Certified identification documentation of company director/s</li> <li>• CSD report/ CSD registration number (MAAA number)</li> </ul>	7	
<p>Woman Ownership &gt;50%</p>	<ul style="list-style-type: none"> <li>• Company Registration Certification (CIPC)</li> <li>• Certified identification documentation of company director/s</li> <li>• CSD report/ CSD registration number (MAAA number)</li> </ul>	8	
<p>Disabled Ownership &gt;50%</p>	<ul style="list-style-type: none"> <li>• Company Registration Certification (CIPC)</li> <li>• Certified identification documentation of</li> </ul>	1	

The specific goals allocated points in terms of this tender	Supporting evidence for meeting preferential procurement targets (bidder to provide the below supporting evidence to claim allocated points for each specific goal)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
	company director/s <ul style="list-style-type: none"> <li>• CSD report/ CSD registration number (MAAA number)</li> <li>• Certified medical certificate from a registered medical practitioner</li> </ul>		
Military veteran Ownership >50%	<ul style="list-style-type: none"> <li>• Company Registration Certification (CIPC)</li> <li>• Certified identification documentation of company director/s</li> <li>• CSD report/ CSD registration number (MAAA number)</li> <li>• A verifiable letter from an authorised body/entity certifying the military status of the claimant (bidder).</li> </ul>	<b>1</b>	
Youth Ownership >50%	<ul style="list-style-type: none"> <li>• Company Registration</li> </ul>	<b>3</b>	

The specific goals allocated points in terms of this tender	Supporting evidence for meeting preferential procurement targets (bidder to provide the below supporting evidence to claim allocated points for each specific goal)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
	Certification (CIPC) <ul style="list-style-type: none"> <li>• Certified identification documentation of company director/s</li> <li>• CSD report/ CSD registration number (MAAA number)</li> </ul>		

**DECLARATION WITH REGARD TO COMPANY/FIRM**

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

4.4. Company registration number:.....

4.5. TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
  - One-person business/sole propriety
  - Close corporation
  - Public Company
  - Personal Liability Company
  - (Pty) Limited
  - Non-Profit Company
  - State Owned Company
- [TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

- i) The information furnished is true and correct;

- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
  - (a) disqualify the person from the tendering process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
  - (e) forward the matter for criminal prosecution, if deemed necessary.

	..... <b>SIGNATURE(S) OF TENDERER(S)</b>
<b>SURNAME AND NAME:</b>	.....
<b>DATE:</b>	.....
<b>ADDRESS:</b>	.....
	.....
	.....
	.....



## CONSENT FORMS

*Please ensure that Form 1, Form 2; Form 3 and Form 4 are fully completed.*

### FORM 1- CONSENT FOR CREDIT AND WORLD CHECKS

#### Consent for Credit and World Checks Form

I  (Name)

Surname

ID

Company you are representing

With CIPC number

Hereby voluntarily provide consent for a credit and world checks to be carried out on me or the company I represent.

I accept that such checks do not infringe any of my fundamental rights and I accept that the checks are part of the application process in terms of the NHFC policies.

Signed	
--------	--

Dated

## FORM 2- POLITICAL PARTY FUNDING DECLARATION FORM

### Political Party Funding Declaration Form

The Political Party Funding Act 6 of 2018 introduces a strict regulatory framework for the private funding of political parties. This includes setting limits for the source, size and use of donated funds by political parties.

Having read and understood the requirements of the above legislation I confirm that:

I comply with the requirements of Political Party Funding Act 6 of 2018

Yes	No

**Name** (in blocks): \_\_\_\_\_

**Signature** \_\_\_\_\_

## FORM 3- PEP SELF CERTIFICATION FORM

### Politically Exposed Person (PEP) Self-Certification Form

NHFC is obliged to establish an appropriate risk management system when establishing a business relationship or conducting transactions, including risk assessment procedures to determine whether a party, legal representative, proxy or real owner of a party is politically exposed person.

In accordance with South African Anti-Money Laundering (AML) legislation NHFC has an obligation to undertake Enhanced Due Diligence (EDD) on those clients who are classified as a Politically Exposed Person (PEP).

Please read the definition below carefully, select the relevant box, confirming you are/are not a PEP, sign the declaration at the bottom of the form and return this Form to our offices. It is your obligation to inform us of a change to your status as a PEP or Non PEP should it change at any time in the future.

*The Financial Intelligence Centre Act 1 of 2017 (FICA) defines a PEP as a person who holds, A politically exposed person or PEP is the term used for an individual who is or has in the past been entrusted with prominent public functions in a particular country. The principles issued by the Wolfsberg Group of leading international financial institutions give an indication of best banking practice guidance on these issues. These principles are applicable to both domestic and international PEPs.*

The following examples serve as aids in defining PEPs:

- Heads of State, Heads of Government and cabinet ministers;
- Influential functionaries in nationalised industries and government administration;
- Senior judges;
- Senior political party functionaries;
- Senior and/or influential officials, functionaries and military leaders and people with similar functions in international or supranational organisations;
- Members of ruling or royal families;
- Senior and/or influential representatives of religious organisations (if these functions are connected to political, judicial, military or administrative responsibilities).
- Families of PEPs.
  - The term "families" includes close family members such as spouses, children, parents and siblings and may also include other blood relatives and relatives by marriage;



- Closely associated persons.

The category of "closely associated persons" includes close business colleagues and personal advisers/consultants to the PEP as well as persons, who obviously benefit significantly from being close to such a person.

Having read and understood the above definition I confirm that: (select only one of the following options)

I am not a Politically Exposed Person (PEP) as defined above (DEFAULT)

I am a Politically Exposed Person (PEP) as defined above

**Name** (in blocks): \_\_\_\_\_

**Signature** \_\_\_\_\_

## **FORM 4: PEP ULTIMATE BENEFICIARY OWNER FORM**

### **Politically Exposed Person (PEP) Ultimate Beneficiary Owner Form**

The law on the prevention of money laundering and the financing of terrorism requires banks to fulfil a number of client identification obligations. One such obligation consists in identifying the Ultimate Beneficial Owners (UBO) of their clients.

Within the meaning of the law, the Ultimate Beneficial Owners of a legal entity are the private individuals who directly or indirectly hold or control a stake of at least 25% in the capital or of at least 25% of the voting rights of the company, or who undertake the de jure or de facto management of the legal entity.

a) \_\_\_\_\_ certifies, that on \_\_\_\_/\_\_\_\_/\_\_\_\_\_, the Shareholder Ultimate Beneficial Owners are the following private individuals who hold or control at least 25% in the capital or at least 25% of the voting rights in the company.

Please remember to enclose a copy of the identity document of each Shareholder or Decision-Making Ultimate Beneficial Owner and to validly sign behind your name above this text.

Surname and First Name	Address	% of shares	Position (in the company, where appropriate)	Tick as appropriate
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No

**CONTRACT FORM - RENDERING OF SERVICES**

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

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

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

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

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

Other (specify)

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

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

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

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

NAME (PRINT) .....

CAPACITY .....

SIGNATURE .....

NAME OF FIRM .....

DATE .....

<b>WITNESSES</b>	
1	.....
2	.....
DATE:.....	

**CONTRACT FORM - RENDERING OF SERVICES**

PART 2 (TO BE FILLED IN BY THE PURCHASER)

I..... in my capacity as.....

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

An official order indicating service delivery instructions is forthcoming.

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

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

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

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

NAME (PRINT) .....

SIGNATURE .....

OFFICIAL STAMP

WITNESSES

1 .....

2 .....

....

## 1. PROTECTION OF PERSONAL INFORMATION

- 1.1. The Service Provider shall ensure that its employees, representatives and officers, comply with the provisions of the Protection of Personal Information Act, 2013 (“POPIA”) and all other applicable data protection laws and, without limitation to the foregoing, shall ensure the security and confidentiality of all Personal Information processed by that Party is in accordance with POPIA and all other applicable data protection laws.
- 1.2. The Service Provider must only process personal information of the NHFC and third parties on behalf of the NHFC, with the NHFC’s knowledge or authorisation, treat such information which comes to their knowledge as confidential and must not disclose it unless required by law or in the course of the proper performance of the Service Provider’s duties. The Service Provider must comply with the responsible party’s obligations in clause section 19 of POPIA.
- 1.3. Where the Service Provider, its agents, subcontractors, officers, directors, shareholders, representatives, or employees has/have access to any Personal Information held by the NHFC for any reason in connection with this Agreement or is/are supplied with or otherwise provided with Personal Information by the NHFC or on behalf of the NHFC for any purpose, or are supplied with or otherwise provided with Personal Information relating to the Services, the Service Provider shall:
  - 1.3.1. process such Personal Information only for purposes of performing its/their obligations under this Agreement and shall not otherwise modify, amend or alter the contents of such Personal Information or disclose or permit the disclosure of such Personal Information to any third party, unless specifically authorised to do so by the NHFC or as required by law or any regulatory authority, and shall take all such steps as may be necessary to protect and safeguard such Personal Information;
  - 1.3.2. without prejudice to the generality of the foregoing, ensure that appropriate ,reasonable technical and organisational measures shall be taken by it/them to prevent
    - 1.3.2.1. the unauthorised or unlawful processing of such Personal Information; and
    - 1.3.2.2. the accidental loss or destruction of, or damage to, such Personal Information; and
    - 1.3.2.3. promptly notify the NHFC when it becomes aware of any unauthorised, unlawful or dishonest conduct or activities, or any breach of the terms of this Agreement relating to Personal Information.
- 1.4. Both Parties will comply with their obligations under POPIA in relation to personal

information for which they are the responsible party.

1.5. The Service Provider must notify the NHFC immediately where there are reasonable grounds to believe that personal information has been accessed or acquired by any unauthorised person (Data Breach) and must assist the NHFC, at its own cost:

1.5.1. with any investigation or notice to the Regulator or data subjects that the NHFC may Make in relation to a Data Breach; and

1.5.2. in responding to any directions by the Regulator to publicise the Data Breach, including assisting the NHFC to make public announcements if required.

1.5.3 The Service Provider indemnifies the NHFC against any civil or criminal action or administrative fine or other penalty or loss as a result of the Service Provider's breach of this clause.

## 2. POPIA CONSENT

2.1. The Service Provider, by submitting its proposal/ quotation, consents to the use of his/her personal information contained therein and confirms that:

2.1.1. The information is voluntarily supplied, without undue influence from any party; and

2.1.2. The information is necessary for the purposes of the engagement with NHFC.

2.2. The tenderer acknowledges that he /she is aware of his/her right to:

2.2.1. Access the information at any reasonable time for the purposes of rectification thereof;

2.2.2. Object to the processing of the information;

2.2.3. Lodge a complaint with the Information Regulator.

### **CERTIFICATION**

I, THE UNDERSIGNED (FULL NAME)  
CERTIFY THAT WE CONSENT TO THE ABOVE AS PER REQUIREMENTS OF THE  
PROTECTION OF PERSONAL INFORMATION ACT.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bid

**RESOLUTION TO SIGN**

Signatory for companies shall confirm their authority thereto by either signing the below or attaching a duly signed and dated copy of the relevant resolution of the boards of directors to this form.

An example is given below:

By resolution of the board of directors passed at a meeting held on .....

Mr/Mrs ..... , whose signature appears below, has been duly authorised

to sign all documents in connection with the Bid for Contract No. .... and any Contract that may arise there from on behalf of (name of Bidder in block capitals) .....

.....

**SIGNED ON BEHALF OF THE COMPANY:**

**IN HIS/HER CAPACITY AS:**.....

**DATE:** .....

**SIGNATURE OF SIGNATORY:**.....

**WITNESSES:** 1. ....

2. ....



**CURRENT AND PAST EXPERIENCE FOR NHFC AND OTHER INSTITUTIONS**

Bidders must furnish hereunder details of *similar* works/service, which they are currently undertaking or have undertaken. Bidders to provide contactable references for all projects listed below.

<b>EMPLOYER /INSTITUTION NAME</b>	<b>NATURE OF WORK/ PROJECT NAME</b>	<b>AWARDED AMOUNT</b>	<b>COMMENCEMENT DATE</b>	<b>COMPLETION DATE</b>	<b>EMPLOYER CONTACT NO. AND CONTACT PERSON</b>

.....  
DATE

.....  
SIGNATURE OF BIDDER

# GOVERNMENT PROCUREMENT

## GENERAL CONDITIONS OF CONTRACT

### NOTES

The purpose of this document is to:

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

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

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

## **TABLE OF CLAUSES**

1. Definitions
2. Application
3. General
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6. Patent rights
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30. Applicable law
31. Notices
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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](http://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) 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.