



**BID NO: NGB 008(2024/2025)**

# **REQUEST FOR PROPOSAL**

**RESEARCH TO DETERMINE THE SOCIO-ECONOMIC  
IMPACT OF THE LICENSED LIMITED PAYOUT  
MACHINES IN THE GAMBLING INDUSTRY; AND  
THE PROJECTED SOCIO-ECONOMIC IMPACT OF THE  
INTRODUCTION OF THE FURTHER PRESCRIBED  
ALLOCATION OF LPMS IN KWAZULU-NATAL,  
MPUMALANGA, LIMPOPO, AND NORTH-WEST**

07 February 2025

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## 1. PART A: INVITATION TO BID

**YOU ARE HEREBY INVITED TO BID FOR THE PROVISION OF RESEARCH SERVICES TO DETERMINE THE SOCIO-ECONOMIC IMPACT OF THE LICENSED LIMITED PAYOUT MACHINES IN THE GAMBLING INDUSTRY; AND THE PROJECTED SOCIO-ECONOMIC IMPACT OF THE INTRODUCTION OF THE FURTHER PRESCRIBED ALLOCATION OF LPMS IN KWAZULU-NATAL, MPUMALANGA, LIMPOPO, AND NORTH-WEST**

**1.1 Description of services:** Suitable and qualified service providers are hereby invited to submit a proposal and quote for the provision research services to determine the socio-economic impact of the licensed Limited Payout Machines in the gambling industry; and the projected socio-economic impact of the introduction of the further prescribed allocation of LPMS in Kwazulu-Natal, Mpumalanga, Limpopo, and North-West. This bid seeks to conclude a contract with research firm capable of providing the services for the National Gambling Board (NGB). Bidders must prepare a detailed proposal and quote based on the specifications outlined in Part B, as well as within the guidelines provided in the Evaluation Criteria (Part C).

### 1.2 Pertinent Bid Information:

|       |                                    |  |
|-------|------------------------------------|--|
| 1.2.1 | <b>Bid number</b>                  | Bid No: NGB 008 (2024/2025)  |
| 1.2.2 | <b>Closing time</b>                | 11H00 Central African Time (CAT)   |
| 1.2.3 | <b>Closing date</b>                | 07 March 2025  |
| 1.2.4 | <b>Compulsory briefing session</b> | There will be a compulsory briefing session held 18 February 2025 at 11H00 Central African Time (CAT) at 1085 Francis Baard Street, Hatfield, Pretoria, 0028   |
| 1.2.5 | <b>Description</b>                 | Research to determine the socio-economic impact of the licensed Limited Payout Machines in the gambling industry; and the projected socio-economic impact of the introduction of the further prescribed allocation of LPMS in Kwazulu-Natal, Mpumalanga, Limpopo, and North-West |
| 1.2.6 | <b>Bid validity period</b>         | Offer to be valid for one hundred and eighty (180) days from the closing date of the tender  |
| 1.2.7 | <b>Contract duration</b>           | Eight (8) months   |

1.3 The successful bidder will be required to enter into a written Service Level Agreement (SLA) with the NGB. The SLA will be drawn up by the NGB.

1.4 The project shall commence after appointment of the preferred service provider is confirmed, on a date determined by the NGB and as stipulated in the SLA to be concluded.

1.5 Bid documents must be submitted to: The National Gambling Board, 1085 Francis Baard Street, Hatfield, Pretoria, 0028.

- 1.6 Only bids submitted directly to the NGB on / before the closing date as indicated above shall be accepted (no faxes or emailed bids will be accepted).
- 1.7 Bidders should ensure that bids are delivered before the closing date and time and to the correct address. If the bid is late, it will not be accepted for consideration.
- 1.8 Bids must be delivered between 08H30 and 16H00 (CAT), Mondays to Fridays, prior to the closing date, and between 08H30 and 11H00 (CAT) on the closing date.
- 1.9 **A two-envelope system** will apply. Therefore, technical and financial proposals must be submitted in separate, sealed envelopes clearly marked “Technical Proposal” and “Financial Proposal” at the same time.
- 1.10 Bids will be **evaluated** in accordance with the **80/20 preference point system** contemplated in the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000).
- 1.11 Technical proposals will be opened at **11H15 (CAT)** on the **07 March 2025**.
- 1.12 Financial Proposals will be opened only after the technical proposals have been evaluated and only with respect to the proposals that achieve the minimum qualifying score for functionality. Subsequent to this, a list of all bidders, along with their Bid Prices only for those bids that were opened as these bids would have passed the technical evaluation stage, will be published on the NGB’s website and the National Treasury E-Tender Portal.
- 1.13 All bids must be submitted on the NGB official forms.
- 1.14 This bid is subject to the General Conditions of Contract (GCC), as well as Special Conditions of Contract (SCC).
- 1.15 There will be a compulsory briefing session at 1085 Francis Baard Street, Hatfield, Pretoria, 0028 on **18 February 2025 at 11H00** Central African Time (CAT). The **deadline** for the submission of written queries is **20 February 2025 at 16H00**.
- 1.16 Only institutions/consortiums/companies/individuals that attend the compulsory briefing session will be considered for this bid. An attendance register must be signed by bidders as confirmation of attendance. Failure to sign the attendance register in the name of the institution submitting a response to the bid will result in the bid not being considered for further evaluation.
- 1.17 Bids that do not comply with the mandatory aspects of this document shall not be considered for evaluation.
- 1.18 Bids submitted that do not comply with the following, will be considered non-responsive, and **will not be considered for evaluation**:

- 1.18.1 A bid that is not in the format prescribed.
- 1.18.2 A bid without some or all of the required documents.
- 1.18.3 Pricing schedules not in the required format.
- 1.18.4 Bid proposals that do not include a company resolution authorising a particular person to sign bid documents. Failure to provide such proof of authority to sign the bidder's proposal will render the bid materially incomplete and thus non-responsive.
- 1.18.5 Bidders that do not attend the compulsory briefing session. Failure to sign the attendance register in the name of the institution submitting a response to the bid will result in the bid not being considered for further evaluation.
- 1.18.6 The Team Leader/ Lead Researcher must have a Masters or PhD qualification in Economics and at least 5 years' experience in Economic Research.
- 1.18.7 Proposals that are not submitted in 2 separate, clearly marked/labelled and sealed envelopes/packages as indicated under PART C of this Request for Proposal (RFP).

1.19 Furthermore, any alterations, changes, supplements to the tender document will be published on [www.ngb.org.za](http://www.ngb.org.za) and on National Treasury's tender e-portal.

1.20 **Confidentiality:** The bid and all related information shall be held in strict confidence by bidders and usage of such information shall be limited to the preparation of the bid. All bidders are bound by a confidentiality agreement preventing the unauthorised disclosure of any information regarding the NGB or of its activities to any other organisation or individual. The bidders may not disclose any information, documentation or products to other clients without written approval of the Accounting Authority or the delegated official.

1.21 **Intellectual Property, Inventions and Copyright:** Copyright of all documentation relating to this assignment belongs to the NGB. The successful bidders may not disclose any information, documentation or products to other clients without the written approval of the Accounting Authority or the person delegated. All the intellectual property rights arising from the execution of this Agreement remain with the NGB which shall be entitled to cede and assign such to the Department of Trade, Industry and Competition (**the dtic**) and the service provider undertakes to honour such intellectual property rights and all future rights by keeping the know-how and all published and unpublished material confidential. In the event that the service provider would like to use any information or data generated in terms of the services rendered, prior written permission must be obtained from the NGB. The NGB shall own all material produced by the service provider during the course of or as part of rendering the services.

1.22 Neither the bidder, nor any of the members of the specification, evaluation and adjudication committee and/or the opening team, shall have any existing or potential conflict of interest during the course of undertaking the tendered project.

1.23 Any conflict of interest which can or have the potential to harm the integrity of the evaluation shall be explicitly disclosed by the bidder, providing detailed information on the scope and factors of such association with any or either object of the evaluation or

any person involved in the intervention. In such cases the bidder must elaborate on how this conflict of interest would be handled by the bidder.

1.24 Based on the information provided by the bidder, the evaluation committee will make a recommendation regarding the bidder's conflict of interest to Bid Adjudication Committee (BAC) and Accounting Authority for a final decision.

1.25 Any queries regarding bidding process and technical information may be directed to:

**Name:** Procurement Practitioner

**Email:** [scm@ngb.org.za](mailto:scm@ngb.org.za)

1.26 The closing date and time for **written queries** is **20 February 2025 at 16H00**. Only written queries will be considered and responded to.

## **2. PART B: TERMS OF REFERENCE**

### **2.1 INTRODUCTION AND MANDATE**

- 2.1.1 The National Gambling Board (NGB) is responsible for the oversight of the regulation of gambling in South Africa, alongside nine Provincial Licensing Authorities (PLAs) regulating gambling activities within their respective jurisdictions.
- 2.1.2 The NGB was established in terms of the National Gambling Act (NGA) (Act 7 of 2004). It is the NGB's purpose to make provision for the regulation and co-ordination of certain matters relating to casinos, racing, betting and wagering. The NGB is authorised to, amongst others, advise the Minister of Trade, Industry and Competition (**the dtic**) on policy issues that might impact on the current and future regulation of gambling as it pertains to casino, betting on horse racing and sport, Limited Pay-out Machines (LPM) and bingo.
- 2.1.3 In terms of Section 65 1(d) of the NGA, the NGB has the following powers and duties to be exercised and performed: the monitoring of socio-economic patterns of gambling activity within the Republic and in particular research and identification of factors relating to, and patterns, causes, and consequences of (i) the socio-economic impact of gambling; and (ii) addictive or compulsive gambling.

### **2.2 BACKGROUND – LPM INDUSTRY**

- 2.2.1 In South Africa, slot machines can be licensed to operate in casinos as well as non-casino entertainment venues such as bars, restaurants, bingo halls and betting outlets. The non-casino category of slot machines are termed LPMs as they provide limited amounts of cash pay-outs to players.
- 2.2.2 According to the National Gambling Policy (2016), LPMs were introduced as the only compromise to allow slot machines outside casinos. The machines are limited to R5.00 for bets and R500.00 for winnings. However, in general, each licensed site on which LPMs are exposed for play may not allow an excess of 5 LPMs, unless the PLAs, in consultation with the NGB, permit it.
- 2.2.3 The LPM sector was envisioned to be a sector within the gambling industry with low barriers to entry which would facilitate Previously Disadvantaged Individuals' (PDIs) ownership and control and contribute to the sustainability of the existing primary businesses. LPMs are thus a means to supplement food and beverage revenues as opposed to being the main source of revenue for the establishment.
- 2.2.4 LPMs have gained popularity in South Africa over the years, with at least 7% of the population participating in LPM gambling. While LPMs generate revenue for

their operators and provide entertainment for their players, there is concern about their impact on the socio-economic well-being of individuals and communities.

- 2.2.5 Section 26 (1) of the NGA, 2004 (Act 7 of 2004), acknowledges the potential detrimental socio-economic impact of the proliferation of LPMs and prescribes that the Minister regulate LPMs in accordance with the NGA. The NGA provides for the creation of regulations dealing with, amongst others, the gradual introduction of LPMs in clearly defined and delineated phases and ongoing socio-economic impact assessment of the use of LPMs.
- 2.2.6 Apart from the social drawbacks, LPMs also contribute positively to small business growth, transformation, employment and the economy at large. An analysis of the LPM industry's contribution to each of the 49 metropolitan and district municipalities with LPMs shows that the industry contributes between 0.31% and 14.83% to its sectoral economic value. Therefore, the LPM industry is vital to the promotion of growth in many regions.
- 2.2.7 In accordance with the NGA's regulatory provisions on the gradual introduction of LPMs, the purpose of this research is to assess the socio-economic impact of LPMs in the four provinces which have reached the upper thresholds of their phase 1 LPM rollout; namely, KwaZulu-Natal (KZN), Mpumalanga, Limpopo and the North West.

### **Legislative framework for the gradual introduction of LPMs**

- 2.2.8 Section 26 (2) of the NGA stipulates that the Minister, by regulation made in accordance with section 87, must—
- a) establish a program for the gradual introduction of limited pay-out machines in the Republic, in clearly defined and delineated phases;
  - b) establish a mechanism for ongoing socio-economic impact assessment of the use of limited pay-out machines in the Republic;
  - c) establish criteria which, on the basis of the assessments contemplated in paragraph (b), must be satisfied before the commencement of each successive phase of the program to introduce limited pay-out machines in the Republic;
  - d) prescribe a limit on the maximum number of licensed limited pay-out machines that may be introduced in each phase—
    - (i) within the Republic;
    - (ii) within any particular province; and
    - (iii) at any one site, and may prescribe different site maximums applicable in different circumstances;
- 2.2.9 *Regulation 13 (1) of the National Gambling Regulations, 2004 outlines the programme for the gradual introduction of limited pay-out machines in the Republic in terms of section 26(2)(a) which is divided into the following phases:*



- a) *Phase 1, in terms of which a provincial licensing authority may roll out no more than fifty percent of the total number of limited pay-out machines allocated to the province;*
- b) *Phase 2, which shall not commence in a province until the criteria contemplated in sub-regulation (2) have been met in that province to the satisfaction of the Minister, and in terms of which the relevant provincial licensing authority may roll out no more than a further thirty five percent of the total number of limited pay-out machines allocated to the province; and*
- c) *Phase 3, which shall not commence in a province until the criteria contemplated in sub-regulation (2) have again been met in that province to the satisfaction of the Minister, and in terms of which the relevant provincial licensing authority may roll out the outstanding number of limited pay-out machines allocated to the province.*

*(2) Before any successive phase of the programme contemplated in sub-regulation (1) may be proceeded with in a province, the Board, having been requested thereto by the relevant provincial licensing authority and after consultation with such authority, must commission and fund a study in respect of the socio-economic impact of the licensed limited pay-out gambling machine industry in that province, having specific regard, but not limited, to the*

- a) *actual impact of licensed operations on the social and economic wellbeing of the province; and*
- b) *projected impact of the introduction of the further prescribed allocation of limited pay-out machines on the social and economic well-being of the relevant province, and submit the results of such study to the Minister and the relevant Member of the Executive Council responsible for gambling in that province.*

*(3) Upon receipt and consideration of the study referred to in sub-regulation (2), the Minister may -*

- a) *without calling for further information, approve the implementation of the next phase of the programme in the relevant province;*
- b) *postpone the making of a decision regarding the implementation of the next phase of the programme in the relevant province, pending the receipt of such further information as he or she may deem necessary; or*
- c) *refuse to grant approval for the implementation of the next phase of the programme in the relevant province.*

2.2.10 National Gambling Policy (2016) states the following in respect of LPMs:

- i. Par 4.2.2: The regulations anticipated a rollout of 50,000 machines across the country. This was supposed to occur in two phases. In the initial phase, site operators would install the first 25,000 machines, after which a socio-economic impact study would be commissioned. The granting of second phase licences was made contingent on the outcome of this study. The initial rollout was supposed to have been completed by March 2009 but the total LPMs rolled out represent less than half of the targeted 25 000 machines;

- ii. Par 4.2.3: The delay is attributed to a number of factors like the zoning issues at municipal levels, unreasonable consultations requirements with affected communities like churches and the reliance on the Business Act, which at the most contradicts the gambling legislations in terms of what should be allowed.

2.2.11 The NGB therefore has the power granted by the Gambling Regulations, 2004 (The Regulations) to commission and fund a study in respect of the socio-economic impact of the licensed limited pay-out machine gambling industry having regard to the:

- a) Actual impact of the licensed operations on the social and economic well-being of the province, and
- b) Projected impact of the introduction of further allocation of limited pay-out machines on the social and economic well-being of the province.

### **LPM Industry in KwaZulu-Natal, Mpumalanga, Limpopo and North-West**

2.2.12 The main role players in the LPM sector can be defined in three specific categories, namely independent site operators, route operators, site operators and the National Gambling Board as custodians of the National Central Electronic Monitoring System (NCEMS). Route and independent operators are companies that are licensed to own, manage, and operate LPMs throughout the country. Site operators are privately-owned hotels, pubs or eating establishments, bingo halls and totalisator or bookmaker outlets which may be situated throughout the country. The route operators are responsible for the maintenance of the LPMs, the collection of money, payment of taxes and levies and paying site operators.

2.2.13 At a national level, the LPM industry's market share grew from 4.5% in FY2009/10 to 7.0% in FY2023/24. As at 31 March 2024, the LPM industry directly employed a total of 3094 people, having risen from 576, a little over a decade ago in FY2011/12. This constitutes 10% of gambling industry employment.

2.2.14 In KwaZulu Natal, casinos hold the largest market share at 58.9%, followed by betting (20.7%), LPMs (14.4%) and bingo (5.9%). For Mpumalanga, betting (92.5%) is the largest sector, while casinos (4.0%), LPMs (2.5%) and bingo (1.0%) are relatively small. In Limpopo, the market share is such that casinos make up 9.7%, betting 77.3%, LPMs 8.3% and bingo 4.7%. For the North-West, casinos generate 51.4% of total GGR, while betting, LPMs and bingo make up 15.7%, 18.6% and 14.3% respectively.

2.2.15 As at 31 March 2024, there were 7 route operators, 554 site operators and 3382 active LPMs in KZN. Mpumalanga had 3 route operators, 284 operational sites

and 1523 active LPMs. Limpopo had 2 route operators, 219 licensed operational sites and 1233 active LPMs. The North-West had 7 route operators, 141 licensed operational sites and 1330 active LPMs.

2.2.16 In terms of legislation, there can be up to 50,000 LPMs nationally. Of this total 18% (9000) are allocated to KZN, 8% (4000) to Mpumalanga, 6% (3000) to Limpopo, with the North-West allotted 6% (3000). As per Regulation 13, Phase 1 allocation stipulates that KZN rolls out 4500 LPMs, Mpumalanga 2000 LPMs, while Limpopo and North-West each roll out 1500 LPMs.

## **2.3 RATIONALE OF STUDY**

2.3.1 As stipulated in Regulation 13(2) and Par 4.2.2 of the National Gambling Policy (2016), before any successive phase of the gradual introduction of limited pay-out machines in the Republic may be proceeded within a province, the NGB, having been requested thereto by the relevant PLA and after consultation with such authority, must commission and fund a study in respect of the socio-economic impact of the licensed limited pay-out gambling machine industry in that province.

2.3.2 The KwaZulu-Natal Gaming and Betting Board, Mpumalanga Economic Regulator, Limpopo Gambling Board and North-West Gambling Board have requested the NGB to commission and fund such a study. As such, the rationale for such a study is that the four provinces in question have rolled out or are nearing the full rollout of their LPM Phase 1 licensing allocation. In Phase 2, the provinces may rollout a further 35% of machines allocated to each province which amounts to 3150 LPMs in KZN, 1400 in Mpumalanga, 1050 in Limpopo and 1050 in the North-West.

2.3.3 NCEMS reports as at 31 March 2024 indicate that KZN had 3444 (77% of Phase 1 allocation) installed LPMs in the province while Mpumalanga had 1556 (78%), Limpopo had 1245 (83%), and the North West 1342 (89%). As such, a study to determine the socio-economic impact of LPMs in the four provinces for purposes of informing the granting of Phase 2 LPM licence allocations is required.

2.3.4 The study will enable the NGB, as mandated by the NGA, to advise the Minister on policy matters as they relate to the socio-economic patterns, causes and consequences of LPM gambling activity within the provinces of KwaZulu-Natal, Mpumalanga, Limpopo and North-West.

2.3.5 This makes such a study a vital reference tool for evidence-based and informed decision making by policymakers, and other key stakeholders, as well as for legislative development on provision of gambling.

## 2.4 SCOPE

- 2.4.1 The study is applicable to KwaZulu-Natal, Mpumalanga, Limpopo and the North-West provinces of South Africa only and the focus is to determine the socio-economic impact of the LPM gambling industry in each of these provinces.
- 2.4.2 Sample sizes should be representative of the population in each province, inclusive of all population groups residing in urban, semi-urban and rural areas.
- 2.4.3 The service provider will be responsible for all phases of the research project i.e. desktop research, interviews with stakeholders, economic analysis, subsistence and travel, workshops with and meetings with the client (NGB), administration, submission of inception and final reports, and any other costs with regard to the execution of the project.
- 2.4.4 The NGB, KwaZulu-Natal Gaming and Betting Board, Mpumalanga Economic Regulator, Limpopo Gambling Board and North-West Gambling Board will assist with the provision of existing/available research reports (e.g. socio-economic impact of gambling research reports, gambling sector performance reports, legislative documentation, the socio-economic impact of illegal gambling, or any other relevant reports).

## 2.5 MAIN AIM OF RESEARCH AND RESEARCH OBJECTIVES

- 2.5.1 The main aim of this study is to determine for each of the provinces of KwaZulu-Natal, Mpumalanga, Limpopo and North-West:
  - i. the actual impact of licensed LPMs on the social and economic wellbeing of each province; and
  - ii. the projected impact of the introduction of the further prescribed allocation of LPMs on the social and economic well-being in each province.
- 2.5.2 The secondary research objectives, are as follows, but are not limited to, the following:
  - i. International benchmarking: In-depth understanding of world trends in the regulation and roll-out of limited pay-out gambling machines, applicable to those countries regulating this type of gambling mode or similar to what the NGB refers to as a limited pay-out machine.
  - ii. **Evaluate Impact of LPMs on social wellbeing**
    - a) Current provincial prevalence rates of gambling across different modes.
    - b) Current provincial prevalence rates of LPM gambling specifically.
    - c) Current provincial prevalence rates of LPM gambling across various socio-demographic variables (by age, work status, education level, gender, household income, area of living).
    - d) Frequency of participating in LPM gambling activities.
    - e) Number of visitors and gamblers at LPM outlets.

- f) Profile of gamblers at LPM establishments in the province (gender, age, income, area of residence, money spent on LPM gambling, frequency, knowledge of support systems and problem gambling).
- g) Analyse the social welfare implications of LPMs on vulnerable populations such as low-income households, youth, and individuals with gambling problems.
- h) Accessibility of LPM gambling facilities in the province and its influence on level of participation and demand for LPM gambling in the province.
- i) The reasons for gambling and participation in LPM gambling and non-participation in LPM gambling.
- j) Current community attitudes and perceptions with regard to LPM gambling in the province.
- k) Extent and prevalence of problem gambling in the province as it relates to LPM gambling.
- l) Impact of participating in LPM gambling in the province on other legal modes of gambling and extent of substitution of one mode for another.
- m) Identify potential social harms and benefits associated with LPMs.
- n) Evaluate the effectiveness of existing regulations and policies aimed at mitigating the negative social impact of LPMs.
- o) The projected social impact of further rollout of LPMs in the province.
- p) To evaluate the potential for an increase in problem gambling associated with the further introduction of LPMs and to assess the impact of problem gambling on individuals, families, and communities.
- q) To investigate the potential for an increase in social harms associated with the further introduction of LPMs, particularly in areas where LPMs are prevalent.

### **iii. Evaluate Economic impact of LPMs**

- a) Current provincial gambling market supply i.e. existing gambling modes and operators.
- b) Map geographical locations and density(number) of LPM gambling machines per local area of the province and site.
- c) Socio-economic characteristics of areas within the provinces of high density of LPM machines relative to others.
- d) Determine the revenue generated by LPMs and its contribution to the provincial economy.
- e) To evaluate the economic impact of LPMs on small businesses and the informal sector.
- f) Impact of LPMs on site operators' primary business.
- g) Total economic impacts (direct, indirect and induced) of LPM gambling industry in the particular province including multiplier effects on other sectors and variables in the province (focus on contribution or value added to provincial GDP; employment; government revenue; infrastructure value; property value; as well as effects on personal income; infrastructure costs; business start-ups and failures i.e. other

forms of gambling, hospitality industry-hotels, restaurants, construction industry, tourism and other entertainment industries).

- h) Business and employment – direct and indirect employment opportunities created through the existing allocation of LPMs in the province.
- i) Impact of LPM gambling on household welfare-household expenditure displacements towards LPM gambling.
- j) Competition effects of the LPM industry in each province – impact of other legal modes of gambling on participating in gambling at LPMs.
- k) Determine the impact of the current economic challenges on the LPM industry (e.g. loadshedding, illegal gambling, network accessibility).
- l) Forecast performance of the LPM industry in each province.
- m) Determine the net effective demand for new LPMs in each province in terms of the following:
  - Potential new LPM gamblers
  - Current and potential expenditure flows towards LPM gambling
  - Additional spending on LPM gambling
  - Determine propensity to gamble on LPMs;
- n) Determination of the cost of acquiring, installing, managing and maintenance of LPMs in each province.
- o) Examine the potential economic risks and benefits associated with further introduction of LPMs.
- p) To determine the impact of the further introduction of LPMs on employment, particularly in the gaming and entertainment sectors.
- q) To assess the potential impact of the further introduction of LPMs on small businesses and their ability to compete with larger, established gaming and entertainment venues and to assess the extent to which these benefits outweigh any potential negative impacts.
- r) To examine the potential impact of the further introduction of LPMs on the provincial economy, including its effect on government revenues, taxes, and the potential for growth in related industries.
- s) Determine the current contribution of the LPM industry to transformation in each province and the potential contribution of their further rollout. This should assess the direct economic benefit to previously disadvantaged individuals (PDIs) e.g. ownership by PDIs.
- t) Assess the impact of illegal LPM operations on the licensed industry.
- u) To evaluate the effectiveness of current regulations and policies governing LPMs and identify areas where additional regulations or policy changes may be necessary to mitigate negative social and economic impacts.
- v) Determination of feasible number of LPMs to be further rolled out that takes into account socio-economic impact of such further roll out. Information in terms of location of additional LPMs that considers socio-economic impact should also be included.
- w) Based on the findings of the study, develop evidence-based recommendations for policymakers, industry leaders, and stakeholders

to address the potential impact of further introducing LPMs in each province.

- x) To communicate findings to policymakers and stakeholders in order to inform decision-making about the further introduction of LPMs in province.

## **2.6 RESEARCH OUTCOME**

2.6.1 The final research reports for each of the provinces should address the research objectives and be approved by the NGB.

2.6.2 As required by the legislative mandate to advise the Minister on policy issues that might impact on the current and future regulation of gambling, this study should provide insight into the social and economic impact of LPM gambling in South Africa and advise on the projected impact of the introduction of the further prescribed allocation of LPMs on the social and economic well-being in KZN, Mpumalanga, Limpopo and North-West.

## **2.7 APPROACH/METHODOLOGY**

2.7.1 The appropriate methodology should extensively address the research objectives as well as determine the actual impact of licensed LPM operations on the social and economic wellbeing of KZN, Mpumalanga, Limpopo and the North-West; and the projected impact of the introduction of the further prescribed allocation of LPMs on the social and economic well-being in the provinces. Service providers or bidders are welcome to demonstrate their expertise by including specific points of research or analysis that may be lacking in meeting the objectives of the project, as well as proposing other quantitative and qualitative methodologies as part of their bid proposal. The methodology to be employed should be properly motivated illustrating the credibility and limitations of both the methodology as well as outcomes of its applications (the validity and credibility of the findings).

2.7.2 The study sample must be of the provinces of KZN, Mpumalanga, Limpopo and North-West and must be representative of the population in the province, and the study must specify the sampling method.

2.7.3 Experience in consulting and economic research in the gambling industry, knowledge of the NGA, the South African government and its programmes, rehabilitation centres in South Africa, treatment of addictive behaviour, and previous consulting will be an advantage. Strong economic and social research skills are recommended.

## **2.8 DELIVERABLES & EXPECTATIONS**

2.8.1 The target outcome of the research project are detailed and extensive research reports approved by the NGB whereby all research objectives have been met to the satisfaction of the NGB.

2.8.2 The service provider shall be required to:

- i. Attend a preliminary workshop (at the venue of the client) and present the research proposal;
- ii. Compile and submit draft and final project plan inclusive of all phases; as well as any updates when necessary. The regularity of updates will be agreed upon;
- iii. Plan and execute all research phases in close collaboration with the NGB Project Team;
- iv. Be responsible for the gathering, interpretation and presentation of all information;
- v. Indicate the way in which regular feedback will be provided to the Project Team and ensure regular communication relative to status of the project according to the schedule and phases cited in the Service Level Agreement, contractual matters and problem areas;
- vi. Provide draft research reports that need to be presented to the project team and NGB Management, followed by final reports (electronic soft copies, in Microsoft word and PDF).

2.8.3 The research project shall commence when the appointment of the preferred service provider is confirmed.

2.8.4 The date of the final submission of the research reports and presentations will be communicated to the service provider once appointed.



### 3. PART C: PROCEDURAL REQUIREMENTS

#### 3.1 LEGAL REQUIREMENTS

- 3.1.1 In its procurement of goods and services, the NGB observes the Constitution of the Republic of South Africa, 1996, Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA), Broad Based Black Economic Empowerment Act, 2003 (Act 53 of 2003) (B-BBEE), Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000) (PPPFA), Preferential Procurement Regulations of 2022 and all relevant statutory requirements.

#### 3.2 TENDER SUBMISSION

- 3.2.1 All prospective bidders **must** be registered on National Treasury's Central Supplier Database (CSD) prior to submission of bids.

- 3.2.2 Proposals **must** be submitted in 2 separate, clearly marked/labelled and sealed envelopes/packages as follows:

- **Envelope / Package 1 – Technical Proposal:** 1 original plus 5 copies of the original technical proposal and 1 USB containing the technical proposal must be submitted to the NGB.
- **Envelope / Package 2 – Financial Proposal:** 1 original plus 5 copies of the original financial proposal and 1 USB containing the financial proposal must be submitted to the NGB.

- 3.2.3 Bidders **must** initial on each page, sign and date on the last page of the following documents:

- General Conditions of Contract;
- Special Conditions of Contract (RFP)

- 3.2.4 Prospective bidders **must not submit** the following documentation as this information will be verified through the CSD:

- 3.2.4.1 Business registration
- 3.2.4.2 Bank account holder information
- 3.2.4.3 In the service of the state status
- 3.2.4.4 Tax Compliance status (tax clearance certificate), **however**, your SARS Tax Pin **must** be submitted.
- 3.2.4.5 Identity Documents of Directors

### 3.3 BID EVALUATION, ADJUDICATION AND FINAL AWARD

- 3.3.1 Bids will be **evaluated** in accordance with the **80/20 preference point system** contemplated in the PPPFA.
- 3.3.2 The **evaluation of the bids** will be **conducted in four (4) phases**, namely:
- 3.3.2.1 **Phase 1:** Pre-qualification Stage: Administrative and Substantive Responsiveness.
  - 3.3.2.2 **Phase 2:** Functional evaluation in accordance with the functional requirements of the bid
  - 3.3.2.3 **Phase 3:** Price and Specific Goals evaluation in accordance with the PPPFA
  - 3.3.2.4 **Phase 4:** Adjudication of bid and Final Award
- 3.3.3 The NGB will evaluate and compare only the Bids determined to be substantially responsive in Phase 1.
- 3.3.4 During Phase 2, the NGB will conduct a detailed evaluation of the Bids in order to determine whether the Bidders are qualified and if the functional aspects are substantially responsive to the requirements outlined in the RFP.
- 3.3.5 Bidders are required to quote a price and provide a breakdown of the price in the manner and detail called for in the pricing schedules, SBD 3.3, as well as, of Part B as per paragraphs 2 of this RFP.
- 3.3.6 The NGB reserves the right to accept or reject any variation, deviation, or alternative offer.
- 3.3.7 Variations, deviations, and alternative offers and other factors, which are in excess of the requirements of the Bidding documents or otherwise result in unsolicited benefits for the NGB which will not be taken into account in the Bid evaluation.
- 3.3.8 The **evaluation process** is broken down into four phases as follows:
- 3.3.8.1 **Phase 1: Pre-Qualification Stage: Administrative and Substantive Responsiveness**
    - a) During Phase 1 all bids will be evaluated to ensure compliance with minimum requirements.
    - b) Proposals submitted that do not comply with the following, will be considered non-responsive, and will not be considered for evaluation:
      - i. A Proposal that is not in the format prescribed.
      - ii. A Proposal without some or all of the required documents.
      - iii. Pricing schedules not in the required format.

- iv. Bid proposals that do not include a company resolution authorising a particular person to sign bid documents. Failure to provide such proof of authority to sign the bidder's proposal will render the bid materially incomplete and thus non-responsive.
  - v. Bidders that do not attend the compulsory briefing session. Failure to sign the attendance register in the name of the institution submitting a response to the bid will result in the bid not being considered for further evaluation.
  - vi. The Team Leader/ Lead Researcher must have a Masters or PhD qualification in Economics and at least 5 years' experience in Economic Research.
  - vii. Proposals that are not submitted in 2 separate, clearly marked/labelled and sealed envelopes/packages as follows:
    - **Envelope/Package 1 – Technical Proposal.**
    - **Envelope/Package 2 – Financial Proposal.**
- c) Bids that comply with the minimum requirements will be regarded as responsive and such bids will advance to Phase 2 of the evaluation process.
- d) Non-responsive bids will not advance to Phase 2 of the evaluation process.

#### 3.3.8.2 **Phase 2: Functional Evaluation in Accordance with the Functional Requirements of the Bid**

- a) All bids that advance to Phase 2 will be evaluated by the NGB to determine compliance with the functional requirements of the bid.
- b) During Phase 2 all bids will be evaluated for functionality which will account for 100% of the functional evaluation criteria score.
- c) Under Technical Evaluation, bidders who score 70% or above will qualify for further consideration in Phase 3.
- d) Points will therefore not be awarded for their Price or Specific goals credentials at this juncture in the process.
- e) The percentage scored for functionality shall be calculated as follows:
  - i. Each panel member shall award values (between 1 and 5) for each individual criterion on a score sheet. The value scored for each criterion shall be multiplied with the specified weighting for the relevant criterion to obtain the percentage

scored for the various criteria. These percentages should be added to obtain the total score.

- ii. The percentages of each panel member shall be added together and divided by the number of panel members to establish the average percentage obtained by each individual bidder for functionality.
- f) The NGB reserves the right, prior to conclusion of Phase 2 of evaluation, to call in bidders that receive a score for technical evaluation of 70% and above, to make a presentation to the NGB.
  - g) In such instances, the presentation will be scored using the same functional evaluation criteria that was utilised for the technical evaluation.
  - h) The scores for presentations will then be calculated for each member as indicated above.
  - i) Scores for technical evaluation and presentations will be allocated 50% and 50% respectively. Bidders must achieve a combined minimum score of 70% out of 100% on the functionality evaluation in order to advance to Phase 3.
  - j) The preparation costs and all expenses associated with presentation will be for the bidders' own account.

**3.3.8.3 Evaluation criteria:** All qualifying bids will be evaluated in accordance with the criteria as stipulated in the table below:

| EVALUATION CRITERIA  | Rating |   |   |   |   | Weight    |
|--|--------|---|---|---|---|-----------|
|  | 1      | 2 | 3 | 4 | 5 |           |
| The Bids will be evaluated on a scale of 1 – 5 in accordance with the criteria below. The rating will be as follows: 1 = Very poor, 2 = Poor, 3 = Good, 4 = Very good, 5 = Excellent   |        |   |   |   |   |           |
| <b>1. Functionality</b>  |        |   |   |   |   |           |
| <b><u>Company track record:</u></b><br><br>A proven track record of the service provider substantiated by reference to letters from five (5) entities for which similar (socio-economic impact studies) research services have been provided for during the past five (5) years. <ul style="list-style-type: none"> <li>Entity name;</li> <li>Contact name and telephone number;</li> <li>Date when service was rendered;</li> </ul> |        |   |   |   |   | <b>10</b> |

| EVALUATION CRITERIA   | Rating |   |   |   |   | Weight    |
|---|--------|---|---|---|---|-----------|
|   | 1      | 2 | 3 | 4 | 5 |           |
| <ul style="list-style-type: none"> <li>• Description of service;</li> <li>• Duration of project; and</li> <li>• Contract price.</li> </ul> <p>The reference letter <u>must</u> be on the <u>letterhead</u> of the entity providing the reference. NB: A list of references will not be accepted.</p> <p>If more than five (5) letters are provided; only the first five (5) letters as contained in the bidder's original bid submission will be considered.</p> <p>The NGB reserves the right to confirm the validity of the letters.</p> <p>I. No reference letter or one (1) reference letter = <b>1 point</b>;</p> <p>II. Two (2) reference letters = <b>2 points</b>;</p> <p>III. Three (3) reference letters = <b>3 points</b>;</p> <p>IV. Four (4) reference letters = <b>4 points</b>;</p> <p>and</p> <p>V. Five (5) reference letters = <b>5 points</b>.</p> |        |   |   |   |   |           |
| <p><b><u>Expertise and experience of proposed Team Leader/Lead Researcher</u></b></p> <p>CV and copies of qualifications of the proposed Team Leader/Lead Researcher must be included in the bid proposal and must indicate relevant qualifications, research (socio-economic impact) skills and experience of at least five (5) years in similar projects.</p> <p><u>Qualifications (Team Leader/ Lead Researcher)</u></p> <p>i. Master's in economics = <b>(4 points)</b></p> <p>ii. PhD in economics = <b>(5 points)</b></p>   |        |   |   |   |   | <b>10</b> |
| <p><b><u>Experience (Team Leader/ Lead Researcher)</u></b></p> <p>i. 5 years' experience in related economic research projects = <b>(3 points)</b></p>  |        |   |   |   |   | <b>10</b> |

| EVALUATION CRITERIA   | Rating |   |   |   |   | Weight    |
|---|--------|---|---|---|---|-----------|
|   | 1      | 2 | 3 | 4 | 5 |           |
| ii. More than 5 years but less than 7 years' experience in related economic research projects = <b>(4 points)</b><br>iii. 7 years or more experience in related economic research projects = <b>(5 points)</b>  |        |   |   |   |   |           |
| <b><u>Expertise and experience of proposed team members (excluding team leader)</u></b><br><br>CVs and copies of qualifications of the proposed project team must be included in the bid proposal and must indicate relevant qualifications, research (socio-economic impact studies) skills and experience.<br><br><u>Qualifications:</u><br>Each team member (excluding the Team Leader/Lead Researcher) will be evaluated on the following basis and an average will be calculated to determine the final rating.<br><br>i. Certificate in economics / statistics/ social sciences = <b>(1 point)</b><br>ii. Diploma in economics / statistics/ social sciences = <b>(2 points)</b><br>iii. Degree in economics / statistics/ social sciences = <b>(3 points)</b><br>iv. Honours in economics/ statistics / social sciences = <b>(4 points)</b><br>v. Masters/PHD in economics/ statistics / social sciences = <b>(5 points)</b> |        |   |   |   |   | <b>10</b> |
| <b><u>Experience</u></b><br>Each team member will be evaluated on the following basis and an average will determine the final rating.<br><br>i. Less than 2 years' experience in related economic research, socio-economic research or impact assessment projects = <b>(1 point)</b><br>ii. Between 2 and 3 years' experience in related economic research, socio-economic research or impact assessment projects = <b>(2 points)</b><br>iii. More than 3 years but less than 5 years' experience in related economic   |        |   |   |   |   | <b>10</b> |

| EVALUATION CRITERIA  | Rating |   |   |   |   | Weight     |
|--|--------|---|---|---|---|------------|
|  | 1      | 2 | 3 | 4 | 5 |            |
| <p>research, socio-economic research or impact assessment projects = <b>(3 points)</b></p> <p>iv. More than 5 years but less than 7 years' experience in related economic research, socio-economic research or impact assessment projects = <b>(4 points)</b></p> <p>v. 7 years or more experience in related economic research, socio-economic research or impact assessment projects = <b>(5 points)</b></p>                         |        |   |   |   |   |            |
| <p><b><u>Methodology and approach:</u></b></p> <p>The proposed research methodology addressing all research objectives must be clearly elaborated on.</p>  |        |   |   |   |   | <b>20</b>  |
| <p>Data collection approach including areas targeted for the collection of information, determination of sample sizes, stakeholders interviews must be stated in detail.</p>   |        |   |   |   |   | <b>15</b>  |
| <p><b><u>Project plan:</u></b></p> <p>Bidders must provide a detailed description of how they intend executing the assignment from inception to completion. A detailed project plan must be included clearly indicating the different phases, milestones to be achieved, proposed dates and all relevant activities listed under each phase. Bidders must also indicate how regular feedback will be provided to the project team.</p> |        |   |   |   |   | <b>10</b>  |
| <p><b><u>Value add:</u></b></p> <p>Bidders must indicate any value added or additional information/analysis/methodology that will benefit the outcome of the research, beyond the requirements as stated in the Terms of Reference.</p>  |        |   |   |   |   | <b>5</b>   |
| <b>TOTAL POINTS FOR FUNCTIONALITY</b>  |        |   |   |   |   | <b>100</b> |
| <b>A threshold of 70% is applicable</b>  |        |   |   |   |   |            |

#### 3.3.8.4 Phase 3: Awarding of Points for Price and Specific goals

- a) The bidders that have successfully progressed through to Phase 3 will be evaluated in accordance with the 80/20 preference point system

contemplated in the Preferential Procurement Policy Framework Act, 2000 and the Preferential Procurement Regulations of 2022.

- b) 80 points will be awarded for price while 20 points will be allocated for preference points for Specific goals as prescribed in the Preferential Procurement Regulations.

#### 3.3.8.5 **Phase 4: Adjudication and Final Award of Bid**

- a) The Bid Adjudication Committee will consider the recommendations of the evaluation committee and recommend the preferred bidder for appointment by the Accounting Authority.
- b) The successful bidder will usually be the service provider scoring the highest number of points or it may be a lower scoring bid on justifiable grounds or no award at all.
- c) The NGB reserves the right to award the contract in whole or in parts to one or more than one service provider.



## 4. PART D: SPECIAL CONDITIONS OF CONTRACT

### 4.1 GUIDELINES ON COMPLETION

- 4.1.1 Bidders must indicate compliance or non-compliance in a paragraph in each section. Indicate compliance with the relevant bid requirements by marking the YES box and non-compliance by marking the NO box.
- 4.1.2 If the contents of the paragraph only need to be noted, please mark the NOTED box.
- 4.1.3 The bidder must clearly state if a deviation from these requirements is offered and the reason therefore.
- 4.1.4 If an explanatory note is provided, the paragraph reference must be attached as an appendix to the bid submission.
- 4.1.5 Should bidders fail to indicate agreement/compliance or otherwise, the NGB will assume that the bidder is not in compliance or agreement with the statement(s) as specified in this bid.
- 4.1.6 Bids not completed in the required manner will be considered incomplete and thus rejected.

| NO.  | CONDITIONS  | CONFIRMATION |    |       |                           |
|--|---|--------------|----|-------|---------------------------|
|  |   | YES          | NO | NOTED | IF NO, INDICATE DEVIATION |
| <b>1. GENERAL CONDITIONS OF CONTRACT</b>             |   |              |    |       |                           |
| 1.1  | The General Conditions of Contract must be signed.  |              |    |       |                           |
| <b>2. SPECIAL CONDITIONS</b>                         |   |              |    |       |                           |
| 2.1  | During the evaluation of the bids, additional information may be requested in writing from bidders. Replies to such requests must be submitted within two (2) working days or as otherwise indicated. Failure to comply may lead to your bid being disregarded. |              |    |       |                           |
| <b>3. BIDDERS RESPONSE</b>                           |   |              |    |       |                           |
| 3.1  | All bidders will be required to provide a response to the Bid and submit their organisation's complete profile.   |              |    |       |                           |
| 3.2  | Bidders will be held to their bids submitted.   |              |    |       |                           |
| <b>4. USE AND PROCESSING OF PERSONAL INFORMATION</b> |   |              |    |       |                           |
| 4.1  | All bidders, including their personnel (as data subjects), hereby consent to the processing of personal information for the completion of the tender process and confirms that:   |              |    |       |                           |

| NO.   | CONDITIONS  | CONFIRMATION |    |       |                           |
|---|---|--------------|----|-------|---------------------------|
|   |   | YES          | NO | NOTED | IF NO, INDICATE DEVIATION |
| 4.1.1   | the personal information is supplied voluntarily, without undue influence from any party and not under any duress;  |              |    |       |                           |
| 4.1.2   | the personal information which is supplied herewith is mandatory for the purposes of this tender process and without such personal information, the NGB would not be able to evaluate the bid proposal;   |              |    |       |                           |
| 4.1.3   | they are aware of the right to access personal information at any reasonable time for purposes of rectification thereof;  |              |    |       |                           |
| <b>5. CONFIDENTIALITY</b>                                 |   |              |    |       |                           |
| 5.1   | The bid and all related information shall be held in strict confidence by bidders and usage of such information shall be limited to the preparation of the bid.   |              |    |       |                           |
| 5.2   | All bidders are bound by a confidentiality agreement preventing the unauthorised disclosure of any information regarding the NGB or of its activities to any other organisation or individual. The bidders may not disclose any information, documentation or products to other clients without written approval of the Accounting Authority or the delegated official of the NGB.  |              |    |       |                           |
| 5.3   | Clause 5 shall survive termination of this Agreement.   |              |    |       |                           |
| <b>6. DISPUTE RESOLUTION</b>                              |   |              |    |       |                           |
| 6.1   | Any dispute arising from this RFP shall be communicated to the NGB within seven (7) working days from the publication of this RFP.  |              |    |       |                           |
| 6.2   | Any disputes arising in relation to this RFP, the evaluation and/or the adjudication of the RFP or any other matter stemming from the RFP shall be adjudicated in terms of South African law, which law shall be the law governing the RFP, and any disputes arising shall be resolved via an arbitration process conducted by an independent arbitrator provided that nothing in this RFP shall preclude any party from seeking urgent interim relief from any South African courts. |              |    |       |                           |
| 6.3   | The arbitration award shall be final and binding on the parties to the dispute and the arbitrator shall have the right to determine the costs for each party to the dispute.  |              |    |       |                           |
| <b>7. INTELLECTUAL PROPERTY, INVENTIONS AND COPYRIGHT</b> |   |              |    |       |                           |

| NO.   | CONDITIONS   | CONFIRMATION |    |       |                           |
|---|--|--------------|----|-------|---------------------------|
|   |  | YES          | NO | NOTED | IF NO, INDICATE DEVIATION |
| 7.1   | Copyright of all documentation relating to this assignment belongs to the NGB. The successful bidder(s) may not disclose any information, documentation or products to other clients without the written approval of the Accounting Authority or the person delegated of the NGB.  |              |    |       |                           |
| 7.2   | All the intellectual property rights arising from the execution of this Agreement remain with the NGB who shall be entitled to cede and assign such and the service provider undertakes to honour such intellectual property rights and all future rights by keeping the know-how and all published and unpublished material confidential. |              |    |       |                           |
| 7.3   | In the event that the service provider would like to use any information or data generated in terms of the services rendered, the prior written permission must be obtained from the NGB.  |              |    |       |                           |
| 7.4   | The NGB shall own all material produced by the service provider during the course of or as part of rendering the services.   |              |    |       |                           |
| <b>8. COST STRUCTURE &amp; PROJECT PLAN</b> |  |              |    |       |                           |
|   | The bid price shall be based on the actual cost of time spent and expenses incurred. In this regard, the following information shall be provided:  |              |    |       |                           |
| 8.1   | The estimated time to be spent on the project.   |              |    |       |                           |
| 8.2   | The hourly charge-out rates as set out in the "Guide on Hourly Fee Rates for Consultants" issued by the Department of Public Service and Administration (DPSA).  |              |    |       |                           |
| 8.3   | The bid price for the project, inclusive of VAT.   |              |    |       |                           |
| <b>9. PAYMENTS</b>                          |  |              |    |       |                           |
| 9.1   | No advance payments will be made in respect of this bid. Payments shall be made in terms of the deliverables as agreed upon and shall be made strictly in accordance with the prescripts of the PFMA (Public Finance Management Act, 1999. Act 1 of 1999).   |              |    |       |                           |
| 9.2   | The service provider shall from time to time, during the duration of the contract, invoice the NGB for the services rendered. No payment will be made to the service provider unless an invoice complying with section 20 of VAT Act, 1991 (Act 89   |              |    |       |                           |

| NO.   | CONDITIONS   | CONFIRMATION |    |       |                           |
|---|--|--------------|----|-------|---------------------------|
|   |  | YES          | NO | NOTED | IF NO, INDICATE DEVIATION |
|   | of 1991) has been submitted to the NGB.  |              |    |       |                           |
| 9.3   | Payment shall be made into the bidder's bank account normally within 30 days of receipt of an acceptable, valid invoice. (Banking details must be submitted as soon as this bid is awarded).   |              |    |       |                           |
| 9.4   | The service provider shall be responsible for accounting to the appropriate authorities for its Income Tax, VAT or other moneys required to be paid in terms of applicable law.  |              |    |       |                           |
| 9.5   | Prices charged by the bidder for goods delivered or services rendered under the contract shall not vary from the prices quoted by the bidder, with the exception of any price adjustments relating to rate of exchange or other unforeseen or incidental services (valid proof must be submitted).   |              |    |       |                           |
| <b>10. NON-COMPLIANCE WITH DELIVERY TERMS</b> |  |              |    |       |                           |
| 10.1  | The successful bidder must ensure that the work is confined to the scope as defined and agreed to.<br>As soon as it becomes known to the service provider that they will not be able to deliver the goods/services within the delivery period and/or against the quoted price and/or as specified, the NGB must be given immediate written notice to this effect. The NGB reserves the right to implement remedies as provided in law. |              |    |       |                           |
| <b>11. WARRANTS AND SECURITIES</b>            |  |              |    |       |                           |
|   | The bidder warrants that:  |              |    |       |                           |
| 11.1  | It is able to conclude this Agreement to the satisfaction of the NGB subject to selection as the preferred bidder.   |              |    |       |                           |
| 11.2  | Although the bidder will be entitled to provide services to persons other than the NGB, the bidder shall not without the prior written consent of the NGB, be involved in any manner whatsoever, directly or indirectly, in any business or venture which competes or conflicts with the obligations of the service provider to provide the services to the NGB.   |              |    |       |                           |
| 11.3  | The successful bidder (company, directors or members and project team shall be subjected to a security screening/ vetting process conducted by the NGB or a service provider appointed by the NGB, if necessary.   |              |    |       |                           |

| NO.   | CONDITIONS   | CONFIRMATION |    |       |                           |
|---|--|--------------|----|-------|---------------------------|
|   |  | YES          | NO | NOTED | IF NO, INDICATE DEVIATION |
| 11.4  | In the event the successful bidder sub contracts, the sub-contractor appointed to render services in respect to this bid may be subjected to the security screening / vetting process conducted by the NGB or a service provider appointed by the NGB, if necessary.   |              |    |       |                           |
| 11.5  | A person awarded a contract may not subcontract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher points for specific goals than the person concerned, unless the contract is subcontracted to an EME or QSE that has the capability and ability to execute the subcontract.  |              |    |       |                           |
| <b>12. PARTIES NOT AFFECTED BY WAIVER OR BREACHES</b> |  |              |    |       |                           |
| 12.1  | The waiver (whether express or implied) by any Party of a condition of contract and/or any breach of the terms or conditions of this Agreement by the other Party shall not prejudice any remedy of the waiving party in respect of any continuing or other breach of the terms and conditions hereof.   |              |    |       |                           |
| 10.2  | No favour, delay, relaxation or indulgence on the part of any Party in exercising any power or right conferred on such Party in terms of this Agreement shall operate as a waiver of such power or right nor shall any single or partial exercise of any such power or right under this Agreement.   |              |    |       |                           |
| <b>13. RETENTION</b>                                  |  |              |    |       |                           |
| 13.1  | Upon completion of the project and /or termination of the agreement, the successful bidder shall on demand hand over to the NGB all documentation, information, software, etc., without the right of retention.  |              |    |       |                           |
| 13.2  | No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force and effect unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing, shall also be in writing. |              |    |       |                           |
| <b>14. COSTS</b>                                      |  |              |    |       |                           |

| NO.                            | CONDITIONS   | CONFIRMATION |    |       |                           |
|--------------------------------|--|--------------|----|-------|---------------------------|
|                                |  | YES          | NO | NOTED | IF NO, INDICATE DEVIATION |
| 14.1                           | The bidder will bear all the costs associated with the preparation of the response and no costs or expenses incurred by the bidder will be borne by the NGB.   |              |    |       |                           |
| <b>15. CANCELLATION OF BID</b> |  |              |    |       |                           |
|                                | The NGB may, prior to the award of the bid, have the right to cancel the bid if:   |              |    |       |                           |
| 15.1                           | Due to changed circumstances, there is no longer a need for the service; or  |              |    |       |                           |
| 15.2                           | Funds are no longer available to cover the part and/or total envisaged expenditure; or   |              |    |       |                           |
| 15.3                           | No acceptable bids are received.   |              |    |       |                           |
| 15.4                           | The NGB reserves the right to withdraw this bid, to amend the term or to postpone this work by email notice to all parties who have received this RFP document or via notice published on the NGB's website and/or the National Treasury's e-Tender Portal.  |              |    |       |                           |
| <b>16. SUBMISSION OF BIDS</b>  |  |              |    |       |                           |
| 16.1                           | <p><b>Proposals must be submitted in 2 separate, clearly marked / labelled and sealed envelopes / package as follows:</b></p> <p><b>I. <u>Envelope / Package 1 – Technical Proposal:</u></b> 1 original plus 5 copies of the original technical proposal and 1 USB containing the technical proposal must be submitted as indicated below; and</p> <p><b>II. <u>Envelope / Package 2 – Financial Proposal:</u></b> 1 original plus 5 copies of the original financial proposal and 1 USB containing the financial proposal must be submitted as indicated below.</p> <p><b><u>Both Envelopes / Packages must be hand delivered to:</u></b><br/> National Gambling Board<br/> 1085 Fracis Baard Street<br/> Hatfield<br/> Pretoria<br/> 0028</p> <p><b><i>NB: Bidders are to indicate on the cover of each document whether it is the original or a copy.</i></b></p> |              |    |       |                           |
| 16.2                           | <p>Bids should be in 2 sealed <u>envelopes / packages</u> (as indicated in 16.1), <u>marked with:</u></p> <ul style="list-style-type: none"> <li>- Technical Proposal; or Financial</li> </ul>   |              |    |       |                           |

| NO.   | CONDITIONS   | CONFIRMATION |    |       |                           |
|---|--|--------------|----|-------|---------------------------|
|   |  | YES          | NO | NOTED | IF NO, INDICATE DEVIATION |
|   | Proposal, as applicable;<br>- Bid number <b>NGB 008 (2024/2025)</b> ;<br>- Bid name / description; and<br>- The name and address of the bidder<br>Closing date and time ( <b>07 March 2025 at 11H00 CAT</b> )  |              |    |       |                           |
| <b>17. LATE BIDS</b>  |  |              |    |       |                           |
| 17.1  | Late submissions will not be accepted. A submission will be considered late if it arrived only one second after 11H00 or any time thereafter. Bids that are submitted after the closing date and time will not be accepted under any circumstances. Bidders are therefore strongly advised to ensure that bids are hand-delivered to the NGB's reception and recorded in the NGB's bid register. |              |    |       |                           |
| <b>18. COMPULSORY BRIEFING SESSION, COMPULSORY SITE INSPECTION AND CLARIFICATIONS</b> |  |              |    |       |                           |
| 18.1  | There will be a compulsory briefing session held on <b>18 February 2025</b> at 11H00 Central African Time (CAT) at 1085 Francis Baard Street, Hatfield, Pretoria, 0028. The <b>deadline</b> for the submission of written queries is <b>20 February 2025 at 16H00</b> .  |              |    |       |                           |
| 18.2  | Any clarification required by a bidder regarding the meaning or interpretation of the Terms of Reference, or any other aspect concerning this bid, is to be requested in writing to the <b>Procurement Practitioner</b> of the NGB.<br>The bid number should be mentioned in all correspondence.   |              |    |       |                           |
| <b>19. FORMAT OF BIDS</b>   |  |              |    |       |                           |
| 19.1  | Bidders must complete all the necessary bid documents and undertakings required in this bid document. Bidders are advised that their proposals should be concise, written in plain English and simply presented. Proposals must be in the same order as indicated in 19.2 and 19.3 below.  |              |    |       |                           |
| 19.2  | <b>Financial Proposal</b> – the following documents/information must be placed in an envelope / package marked "Financial Proposal":<br>i. Cost breakdown of the project<br>ii. Total value of the project over the stated period<br>iii. Completed SBD 3.3  |              |    |       |                           |

| NO.                      | CONDITIONS  | CONFIRMATION |    |       |                           |
|--------------------------|---|--------------|----|-------|---------------------------|
|                          |   | YES          | NO | NOTED | IF NO, INDICATE DEVIATION |
| 19.3                     | <p><b>Technical Proposal</b> - the following documents/information must be placed in an envelope marked "Technical Proposal":</p> <ul style="list-style-type: none"> <li>i. Response to the Terms of Reference, ensuring that all the aspects of the Evaluation Criteria are clearly covered. Value-adds must be separately labelled as such;</li> <li>ii. Acknowledgement and response to the Evaluation Criteria and Special Conditions of Contract;</li> <li>iii. Company profile;</li> <li>iv. Five (5) reference letters;</li> <li>v. Completed SBD forms <b>(excluding SBD 3.3)</b> and General Conditions of Contract <b>(the General and Special Conditions of Contract must be initialled on each page and signed fully and dated on the last page);</b></li> </ul> <p><b>In summary the following information will be required under the technical proposal:</b></p> <ul style="list-style-type: none"> <li>1. Bidders' response to Parts A, B, C, and D of the RFP; <u>and</u></li> <li>2. Bidders' response to the RFP on the following aspects of Part E must only be included: <ul style="list-style-type: none"> <li>a) SBD 1;</li> <li>b) SBD 4; and</li> <li>c) SBD 6.1</li> </ul> </li> </ul> |              |    |       |                           |
| <b>20. PRESENTATIONS</b> |   |              |    |       |                           |
| 20.1                     | The NGB reserves the right to invite bidders for presentations before awarding the bid.   |              |    |       |                           |
| 20.2                     | Bidders will be given a minimum of three (3) days' notification where presentation will be required.  |              |    |       |                           |
| <b>21. NEGOTIATION</b>   |   |              |    |       |                           |
| 21.1                     | The NGB has the right to enter into negotiation with a prospective bidder regarding any terms and conditions, including price(s) of a proposed contract.  |              |    |       |                           |
| 21.2                     | Similarly, the NGB reserves the right not to select any of the prospective bidders submitting proposals.  |              |    |       |                           |
| 21.3                     | The NGB shall not be obliged to accept the lowest of any quotation, offer or proposal.  |              |    |       |                           |
| 21.4                     | All bidders will be informed whether they have been successful or not.  |              |    |       |                           |
| 21.5                     | A contract will only be deemed to be concluded when reduced to writing  |              |    |       |                           |



| NO.                   | CONDITIONS  | CONFIRMATION |    |       |                           |
|-----------------------|---|--------------|----|-------|---------------------------|
|                       |   | YES          | NO | NOTED | IF NO, INDICATE DEVIATION |
|                       | in form of a service level agreement signed by the designated responsible persons of both parties.  |              |    |       |                           |
| 21.6                  | Documents submitted by bidders will not be returned.  |              |    |       |                           |
| <b>22. DOMICILIUM</b> |   |              |    |       |                           |
| 22.1                  | The NGB hereto choose <i>domicilium citandi et executandi</i> for all purposes of and in connection with the final contract as follows:<br>National Gambling Board<br>1085 Francis Baard,<br>Hatfield<br>Pretoria, 0028 |              |    |       |                           |

**SIGNATURE OF BIDDER:**

**(Delegated official)**

## d) PART E: BIDDING DOCUMENTS (SBD FORMS)

The attached Standard Bidding Documents (SBD forms) form part of the bid documents and must all be completed or adhered to.

### PART A– INVITATION TO BID

**SBD 1**

|  |  |                  |  |  |              |
|--|--|------------------|--|--|--------------|
| <b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)</b> |  |                  |  |  |              |
| BID NUMBER:  | NGB 008<br>(2024/2025)   | CLOSING DATE:    | 07 March<br>2025                               | CLOSING TIME:                                      | 11H00<br>CAT |
| DESCRIPTION  | Research to determine the socio-economic impact of the licensed Limited Payout Machines in the gambling industry; and the projected socio-economic impact of the introduction of the further prescribed allocation of LPMs in Kwazulu-Natal, Mpumalanga, Limpopo, and North-West |                  |  |  |              |
| <b>BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)</b>       |  |                  |  |  |              |
| The National Gambling Board  |  |                  |  |  |              |
| 1085 Francis Baard Street  |  |                  |  |  |              |
| Hatfield   |  |                  |  |  |              |
| Pretoria   |  |                  |  |  |              |
| 0028   |  |                  |  |  |              |
| <b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO</b>  |  |                  | <b>TECHNICAL ENQUIRIES MAY BE DIRECTED TO:</b> |  |              |
| CONTACT PERSON   | Procurement Practitioner   | CONTACT PERSON   |  | Procurement Practitioner                           |              |
| TELEPHONE NUMBER   |  | TELEPHONE NUMBER |  |  |              |
| FACSIMILE NUMBER   | N/A  | FACSIMILE NUMBER |  | N/A  |              |
| E-MAIL ADDRESS   | <a href="mailto:scm@ngb.org.za">scm@ngb.org.za</a>   | E-MAIL ADDRESS   |  | <a href="mailto:scm@ngb.org.za">scm@ngb.org.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:                      | MAAAxxxxxx   |

|   |  |   |   |
|---|--|---|---|
| B-BBEE STATUS<br>LEVEL<br>VERIFICATION<br>CERTIFICATE | TICK APPLICABLE<br>BOX]<br><br><input type="checkbox"/> Yes <input type="checkbox"/><br>No | B-BBEE STATUS<br>LEVEL SWORN<br>AFFIDAVIT | [TICK APPLICABLE<br>BOX]<br><br><input type="checkbox"/> Yes <input type="checkbox"/><br>No |
|---|--|---|---|

**[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]**

|  |  |  |  |
|--|--|--|--|
| ARE YOU THE<br>ACCREDITED<br>REPRESENTATIVE<br>IN SOUTH AFRICA<br>FOR THE GOODS<br>/SERVICES<br>/WORKS<br>OFFERED? | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>[IF YES ENCLOSE<br>PROOF] | ARE YOU A<br>FOREIGN BASED<br>SUPPLIER FOR THE<br>GOODS /SERVICES<br>/WORKS OFFERED? | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><br>[IF YES, ANSWER<br>THE<br>QUESTIONNAIRE<br>BELOW ] |
|--|--|--|--|

**QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS**

IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?  
☐ YES   ☐ NO

DOES THE ENTITY HAVE A BRANCH IN THE RSA?  
☐ YES   ☐ NO

DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?  
☐ YES   ☐ NO

DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?  
☐ YES   ☐ NO

IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?  
☐ YES   ☐ NO

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

## PART B

### TERMS AND CONDITIONS FOR BIDDING

#### 1. BID SUBMISSION:

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**
- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
- 1.4. **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

#### 2. TAX COMPLIANCE REQUIREMENTS

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE [WWW.SARS.GOV.ZA](http://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)**

Research to determine the socio-economic impact of the licensed Limited Payout Machines in the gambling industry; and the projected socio-economic impact of the introduction of the further prescribed allocation of LPMs in Kwazulu-Natal, Mpumalanga, Limpopo, and North-West

|  |                                    |
|--|------------------------------------|
| BID NUMBER: <b>NGB 008 (2024/2025)</b> | CLOSING DATE: <b>07 March 2025</b> |
| CLOSING TIME: <b>11H00 (CAT)</b>       |                                    |

OFFER TO BE VALID FOR **180** DAYS FROM THE CLOSING DATE OF BID.

ITEM DESCRIPTION BID PRICE IN RSA CURRENCY

NO                   \*\* (ALL APPLICABLE TAXES INCLUDED)

1. The accompanying information must be used for the formulation of proposals.
2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project

R\_\_\_\_\_

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

4. PERSON AND POSITION                   HOURLY RATE                   DAILY RATE

|       |        |       |
|-------|--------|-------|
| _____ | R_____ | _____ |
| _____ | R_____ | _____ |
| _____ | R_____ | _____ |
| _____ | R_____ | _____ |

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

|       |        |            |
|-------|--------|------------|
| _____ | R_____ | _____ days |
| _____ | R_____ | _____ days |
| _____ | R_____ | _____ days |
| _____ | R_____ | _____ days |

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

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_____ |

TOTAL: R\_\_\_\_\_

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_____ |

TOTAL: R\_\_\_\_\_

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

\_\_\_\_\_

7. Estimated man-days for completion of

project

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8. Are the rates quoted firm for the full period of contract?

\*YES/NO

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

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Any queries regarding bidding procedures and technical information may be directed to:

Name : Procurement Officer

Tel. : 010 003 3486

Email : [scm@ngb.org.za](mailto:scm@ngb.org.za)

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**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>1</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**

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<sup>1</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.



2.2.1 If so, furnish particulars:

.....  
.....

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

2.3.1 If so, furnish particulars:

.....  
.....

### 3 DECLARATION

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

3.1 I have read and I understand the contents of this disclosure;

3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;

3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium <sup>2</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

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<sup>2</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.

will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

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

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

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

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

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

### 1. GENERAL CONDITIONS

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

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

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

a) The applicable preference point system for this tender is the 80/20 preference point system.

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

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

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

The maximum points for this tender are allocated as follows:

|  | POINTS     |
|--|------------|
| <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

- 2.1 **“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;
- 2.2 **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- 2.3 **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- 2.4 **“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
- 2.5 **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).
- 2.6 **“All applicable taxes”** includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.
- 2.7 **“Consortium or joint venture”** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract.
- 2.8 **“Contract”** means the agreement that results from the acceptance of a bid by an organ of state.
- 2.9 **“Equity Ownership”** means the percentage ownership and control, exercised by individuals within an enterprise.
- 2.10 **“Highest acceptable tender”** means a tender that complies with all specifications and conditions of tender and that has the highest price compared to other tenders.
- 2.11 **“Historically Disadvantaged Individual (HDI)”** means a South African citizen
- (1) who, due to the apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act No 110 of 1983) or the Constitution of the Republic of South Africa, 1993, (Act No 200 of 1993) (“the interim Constitution); and/or
  - (2) who is a female; and/or
  - (3) who has a disability:  
provided that a person who obtained South African citizenship on or after the coming to effect of the Interim Constitution, is deemed not to be a HDI.
- 2.12 **“Lowest acceptable tender”** means a tender that complies with all specifications and conditions of tender and that has lowest price compared to other tenders.

- 2.13 **“Management”** means an activity inclusive of control and performed on a daily basis, by any person who is a principal executive officer of the company, by whatever name that person may be designated, and whether or not that person is a director.
- 2.14 **“Owned”** means having all the customary elements of ownership, including the right of decision-making and sharing all the risks and profits commensurate with the degree of ownership interests as demonstrated by an examination of the substance, rather than the form of ownership arrangements.
- 2.15 **“Person”** includes reference to a juristic person.
- 2.16 **“Person with Disability”** are persons who have a long-term or recurring physical or mental impairment, which substantially limits their prospects of entry into, or advancement in employment.
- 2.17 **“Price”** means an amount of money tendered for goods or services and includes all applicable taxes less all unconditional discounts.
- 2.18 **“Rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes.
- 2.19 **“Sub-contracting”** means the primary contractor’s assigning or leasing or making out work to or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.
- 2.20 **“Specific goals”** means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994.
- 2.21 **“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.
- 2.22 **“Trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person.
- 2.23 **“Trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

### 3. **ESTABLISHMENT OF HDI EQUITY OWNERSHIP IN AN ENTERPRISE**

- 3.1 Equity ownership shall be equated to the percentage of an enterprise which is owned by individuals classified as HDIs, or in the case of a company, the percentage shares that are owned by individuals classified as HDIs, who are actively involved in the management and daily business operations of the enterprise and exercise control over the enterprise, commensurate with their degree of ownership at the closing date of the tender.
- 3.2 Where individuals are not actively involved in the management and daily business operations and do not exercise control over the enterprise commensurate with their degree of ownership, equity ownership may not be claimed.

#### 4. **ADJUDICATION USING A POINT SYSTEM**

- 4.1 A maximum of 20 or 10 points may be awarded to a tenderer for the specific goals for the tender.
- 4.2 The points scored for the specific goals must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
- 4.3 Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.
- 4.4 If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for specific goals.
- 4.5 If functionality is part of the evaluation process and two or more tenderers score equal total points and equal preference points for specific goals, the contract must be awarded to the tenderer that scored the highest points for functionality.
- 4.6 If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots.

#### 5. **FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES**

##### 5.1 **POINTS AWARDED FOR PRICE**

##### 5.1.1 **THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS**

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

$$\begin{array}{ccc} \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\ \\ Ps = 80 \left( 1 - \frac{Pt - P_{min}}{P_{min}} \right) & \mathbf{or} & Ps = 90 \left( 1 - \frac{Pt - P_{min}}{P_{min}} \right) \end{array}$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

##### 5.2 **FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT**

##### **POINTS AWARDED FOR PRICE**

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

$$\begin{array}{ccc} \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\ \\ Ps = 80 \left( 1 + \frac{Pt - P_{max}}{P_{max}} \right) & \mathbf{or} & Ps = 90 \left( 1 + \frac{Pt - P_{max}}{P_{max}} \right) \end{array}$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmax = Price of highest acceptable tender

## 6. POINTS AWARDED FOR SPECIFIC GOALS

- 6.1 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:
- 6.2 In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
  - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
- then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.
- 6.3 Equity claims for a trust will only be allowed in respect of those persons who are both trustees and beneficiaries and who are actively involved in the management of the trust. Documentation to substantiate the validity of the credentials of the trustees contemplated above must be submitted.
- 6.4 Listed companies and tertiary institutions do not qualify for HDI preference points.
- 6.5 A consortium or joint venture may, based on the percentage of the contract value managed or executed by their HDI-members, be entitled to preference points in respect of an HDI.
- 6.6 A person awarded a contract may not subcontract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher points for specific goals than the person concerned, unless the contract is subcontracted to an EME or QSE that has the capability and ability to execute the subcontract.

**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.)***

| SPECIFIC GOAL   | ACHIEVEMENT LEVEL         | TOTAL NUMBER OF POINTS THAT MAY BE CLAIMED <u>(90/10 SYSTEM)</u> | TOTAL NUMBER OF POINTS THAT MAY BE CLAIMED <u>(80/20 SYSTEM)</u> |
|---|---------------------------|--|--|
| Persons historically disadvantaged on the basis of race | 100% black ownership      | 4  | 8  |
|   | 75% - 99% black ownership | 3  | 6  |
|   | 60% - 74% black ownership | 2  | 4  |
|   | 51% - 59% black ownership | 1  | 2  |
|   | 0 – 50% black ownership   | 0  | 0  |

| SPECIFIC GOAL  | ACHIEVEMENT LEVEL               | TOTAL NUMBER OF POINTS THAT MAY BE CLAIMED <u>(90/10 SYSTEM)</u> | TOTAL NUMBER OF POINTS THAT MAY BE CLAIMED <u>(80/20 SYSTEM)</u> |
|--|---------------------------------|--|--|
| Persons historically disadvantaged on the basis of gender (ownership by women) | 100% black women ownership      | 2.5  | 5  |
|  | 75% - 99% black women ownership | 2  | 4  |
|  | 60% - 74% black ownership       | 1.5  | 3  |
|  | 51% - 59% black women ownership | 1  | 2  |
|  | 0 – 50% black women ownership   | 0  | 0  |

| SPECIFIC GOAL   | ACHIEVEMENT LEVEL           | TOTAL NUMBER OF POINTS THAT MAY BE CLAIMED <u>(90/10 SYSTEM)</u> | TOTAL NUMBER OF POINTS THAT MAY BE CLAIMED <u>(80/20 SYSTEM)</u> |
|---|-----------------------------|--|--|
| Persons historically disadvantaged on the basis of disability | 1 - 100% disabled ownership | 2  | 4  |
|   | 0% disabled ownership       | 0  | 0  |



| SPECIFIC GOAL   | ACHIEVEMENT LEVEL | TOTAL NUMBER OF POINTS THAT MAY BE CLAIMED <u>(90/10 SYSTEM)</u> | TOTAL NUMBER OF POINTS THAT MAY BE CLAIMED <u>(80/20 SYSTEM)</u> |
|---|-------------------|--|--|
| RDP goals:  |                   |  |  |
| Business enterprises which are classified as SMMEs (EMEs or QSEs) | Yes               | 1.5  | 3  |
|   | No                | 0  | 0  |

- 6.7 A tenderer must submit CIPC registration documents as proof of ownership.
- 6.8 Points for persons historically disadvantaged on the basis of disability must be substantiated by a medical assessment report from an accredited medical practitioner. The medical assessment report must not be older than a year at the closing date of the tender or RFQ.
- 6.9 A tenderer must submit proof of its B-BBEE status level of contributor to substantiate a claim for RDP goals.
- 6.10 A tenderer failing to submit proof of specific goals shall not be disqualified but will score points out of 80 for price; and shall score 0 points out of 20 for specific goals.
- 6.11 Failure on the part of a tenderer to submit proof or documentation required to claim points for specific goals will be interpreted to mean that preference points for specific goals are not claimed.
- 6.12 The NGB 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 NGB.

## 7. BID DECLARATION

- 7.1 Bidders who claim points in respect of specific goals must complete the following:

| The specific goals allocated points in terms of this tender                           | Number of points claimed <u>(90/10 system)</u><br>(To be completed by the tenderer) | Number of points claimed <u>(80/20 system)</u><br>(To be completed by the tenderer) |
|---|---|---|
| Persons historically disadvantaged on the basis of <b>race</b>                        |   |   |
| Persons historically disadvantaged on the basis of <b>gender</b> (ownership by women) |   |   |

| The specific goals allocated points in terms of this tender                            | Number of points claimed<br>(90/10 system)<br>(To be completed by the tenderer) | Number of points claimed<br>(80/20 system)<br>(To be completed by the tenderer) |
|--|---|---|
| Persons historically disadvantaged on the basis of <b>disability</b>                   |   |   |
| <b>RDP goals:</b><br>Business enterprises which are classified as SMMEs (EMEs or QSEs) |   |   |

## 8. SUB-CONTRACTING

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

(***Tick applicable box***)

|     |  |    |  |
|-----|--|----|--|
| YES |  | NO |  |
|-----|--|----|--|

8.1.1 If yes, indicate:

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

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

iii) Number of points claimed for specific goals .....

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

(***Tick applicable box***)

|     |  |    |  |
|-----|--|----|--|
| YES |  | NO |  |
|-----|--|----|--|

## 9. DECLARATION WITH REGARD TO COMPANY/FIRM

9.1 Name of company/firm.....

9.2 Company registration number: .....

9.3 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]

**TOTAL NUMBER OF YEARS THE FIRM HAS BEEN IN BUSINESS?**

9.4 **List all Shareholders by Name, Position, Identity Number, Citizenship, HDI status and ownership, as relevant. Information to be used to calculate the points claimed in paragraph 7.**

| Name | Date/Position occupied in Enterprise | ID Number | Date RSA Citizenship obtained | * HDI Status                    |       |          | % of business / enterprise owned |
|------|--------------------------------------|-----------|-------------------------------|---------------------------------|-------|----------|----------------------------------|
|      |                                      |           |                               | No franchise prior to elections | Women | Disabled |                                  |
|      |                                      |           |                               |                                 |       |          |                                  |
|      |                                      |           |                               |                                 |       |          |                                  |
|      |                                      |           |                               |                                 |       |          |                                  |
|      |                                      |           |                               |                                 |       |          |                                  |
|      |                                      |           |                               |                                 |       |          |                                  |
|      |                                      |           |                               |                                 |       |          |                                  |
|      |                                      |           |                               |                                 |       |          |                                  |

\*Indicate YES or NO

**9.5 Consortium / Joint Venture**

9.5.1 In the event that preference points are claimed for HDI members by consortia / joint ventures, the following information must be furnished in order to be entitled to the points claimed in respect of the HDI member:

| Name of HDI member (to be consistent with paragraph 9.4) | Percentage (%) of the contract value managed or executed by the HDI member |
|--|--|
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the

company/ firm for the preference(s) shown and I acknowledge that:

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

SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME:

DATE:

ADDRESS:

## **GENERAL CONDITIONS OF CONTRACT**

**Refer to Annexure A**

**THE NATIONAL TREASURY**

**Republic of South Africa**



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**GOVERNMENT PROCUREMENT:  
GENERAL CONDITIONS OF CONTRACT**

**July 2010**

**GOVERNMENT PROCUREMENT**  
**GENERAL CONDITIONS OF CONTRACT**  
**July 2010**

**NOTES**

The purpose of this document is to:

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

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

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

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## **General Conditions of Contract**

### **1. Definitions**

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

RSA.

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

obligations of the supplier covered under the contract.

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

## **2. Application**

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

## **3. General**

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

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|--|--|
|  | (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.  |
| <b>29. Governing language</b>                                | 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.  |
| <b>30. Applicable law</b>                                    | 30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.   |
| <b>31. Notices</b>   | <p>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</p> <p>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.</p>  |
| <b>32. Taxes and duties</b>                                  | <p>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.</p> <p>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.</p> <p>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.</p>   |
| <b>33. National Industrial Participation Programme (NIP)</b> | 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.   |
| <b>34 Prohibition of Restrictive practices</b>               | <p>34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).</p> <p>34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.</p> |

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

Js General Conditions of Contract (revised July 2010)

Signature of bidder:  
(Delegated official)