TENDER BULLETIN

The Council for Medical Schemes is a statutory body established by the Medical Schemes Act (131 of 1998) to provide regulatory supervision of private health financing through medical schemes.

Tender Description	Tender Number	Compulsory Briefing Session	Preference Points System	Delivery Address and Closing Date
Request for Proposals for the appointment of a service provider for the provision of Internal Audit Services for three (3) years	CMS032026/2027	Compulsory Briefing Session Date: **13th November 2026**, at 11:00 AM **Venue**: Block A, Eco Glades 2 Office Park, 420 Witch-Hazel Avenue, Eco Park, Centurion, 0157 CMS will conduct a concurrent physical and online (hybrid) compulsory briefing for this tender. All interested parties must send their RSVP by **12th of November 2026 at** Tenders@medicalschemes.co.za **Attendance is compulsory and failure to attend the briefing session will lead to automatic disqualification from the tender process.**	80/20 Preference Points System (Pricing and Specific Goals)	Block A, Eco Glades 2 Office Park, 420 Witch-Hazel Avenue, Eco Park, Centurion, 0157 **Closing Date: 30th November 2026** **Time:** 11:00am The CMS will not accept late bids, and they will be returned to the Bidder.

Tender enquiries can be directed to:

Mr. Ludwe Madayi

Email address: l.madayi@medicalschemes.co.za

Tender documents will be made available on the CMS website (www.medicalschemes.co.za) and on the eTender publication portal from 06th November 2026.

Late, telegraphic tenders, e-mail tenders and tenders which are not registered on the **Tender Register** and in CMS tender box will not be considered.

APPOINTMENT OF A SERVICE PROVIDER FOR PROVISION OF INTERNAL AUDIT SERVICES FOR A PERIOD OF THREE (3) YEARS

The Council for Medical Schemes (CMS) is currently accepting bids from qualified service providers to respond to the tender advertisement published on the eTender Portal and CMS Website titled: **Request for Proposals for the appointment of a service provider for the provision of Internal Audit Services for three (3) years.** Complete specifications, requirements, and instructions for submitting proposals are set forth in this document.

RFP REFERENCE NO:	**CMS032026/2027**
ISSUE DATE:	**06th November 2026**
CLOSING DATE AND TIME:	**30th November 2026, 11:00 am**
BID VALIDITY PERIOD:	**120 Calendar Days**
BRIEFING SESSION:	**Compulsory Briefing Session (Hybrid) at 11:00 am, 13th November 2026**
DELIVERY ADDRESS FOR TENDER:	**CMS – Tender Box** **Block A, Eco Glades 2 Office Park,** **420 Witch-Hazel Avenue,** **Eco Park,** **Centurion, 0157**
PREFERENTIAL PROCUREMENT SYSTEM:	**80:20**

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SECTION 1: INTRODUCTION AND GENERAL PROPOSAL INFORMATION

1. BACKGROUND OF COUNCIL FOR MEDICAL SCHEMES

The Council for Medical Schemes (CMS) is a statutory body established by the Medical Schemes Act, 1998 (Act No. 131 of 1998) to provide regulatory supervision of private health financing through medical schemes and functions as a Schedule 3A Public Entity.

2. VISION

An efficient, effective, high-quality, agile and trusted South African regulator generating sustainable stakeholder value.

3. MISSION

Achieving our purpose of protecting the interests of members and beneficiaries by:

- **Controlling and co-ordinating the functioning and governance** of all entities conducting the business of medical schemes in a manner that is complementary to national health policy
- **Investigating complaints and settling disputes in relation to the affairs of medical schemes**
- **Collecting, disseminating information, and collaborating with stakeholders about private health care**
- **Making recommendations and advising the Minister** on the criteria for the measurement of quality and outcomes of health services provided by medical schemes, and related matters

4. PURPOSE OF THE RFP

4.1. The purpose of this Request for Proposals is the appointment of a service provider for the provision of Internal Audit Services for three (3) years.

5. ISSUING OFFICE AND COUNCIL FOR MEDICAL SCHEMES CONTACT

5.1. This RFP, and any subsequent addenda to it, is being issued by the Office of the CEO of the Council for Medical Schemes, under the auspices of the CMS's Supply Chain Management office. The Supply Chain Management unit is the sole point of contact regarding all procurement and contractual matters relating to the requirements described in this RFP. It is the only office authorised (after consultation with the CMS's Supply Chain Management office) to change, modify, clarify, etc., the specifications, terms, and conditions of this RFP and any contract(s) awarded as a result of this RFP.

6. RFP TIME SCHEDULE

6.1. Bidders interested in submitting proposals in response to this RFP should do so in accordance with the schedule outlined below. The CMS reserves the right to modify this schedule, as and when necessitated, in line with its best interests and in line with paragraph 8 (Amendments of the RFP) of this RFP. If there is a discrepancy between the dates in the table below and the dates on the cover page, the cover page dates take precedence.

ACTION	DATE
Advertisement placed in the e-Tender Portal and CMS Website	**06th November 2026**
Compulsory briefing session RSVP to **Tenders@medicalschemes.co.za** • CMS will conduct a concurrent physical and online (hybrid) compulsory briefing for this tender.	**13th November 2026, at 11:00 am**
Deadline for Submission of Questions	**25th November 2026**
Deadline for Submission of Proposals **(11:00 am)**	**30th November 2026**

7. QUESTIONS REGARDING THE RFP

7.1. All enquiries, questions, and requests for clarification of the contents of this RFP must be in writing and addressed to the CMS contact persons indicated below. We will distribute a listing of Bidder enquiries (without identifying the source of the inquiry) and the CMS's responses to all Bidders who submit questions. Whenever a response to an enquiry would constitute a modification or addition to the original RFP, the reply will be made in the form of an Amendment Notice to the RFP. All enquiries must include:

1. The company's name, address and telephone number;
2. A clear and concise question; and
3. References to specific points within this RFP.

7.2. ***All questions, in writing, must be submitted before the deadline for questions specified in the RFP schedule above, by email, quoting the RFP no. listed on the cover page.***

- All technical questions and requests for clarification should be addressed to Ms Nodolly Ndhlovu at n.ndhlovu@medicalschemes.co.za and quote the RFP Reference Number.
- All Supply Chain Management requests concerning this RFP should be addressed in writing by email to: m.mmethi@medicalschemes.co.za
- Always quote in the subject line of the email the RFP Reference Number**.**
- No one other than the CMS contact persons identified herein is authorised to respond to questions regarding this RFP.
- No meetings or telephonic enquiries will be entertained with qualifying bidders.

8. AMENDMENTS TO THE RFP

8.1. The CMS may revise or add to the RFP before the Proposals deadline and, at its discretion, may extend the deadline for all potential Bidders. Any changes to the RFP will be issued as a written amendment by CMS. Such amendments will be sent by email to all Bidders, with a request for acknowledgement of receipt. Amendments will be clearly marked as such. Each amendment will be numbered consecutively and incorporated into this RFP. Any Bidder who fails to receive such amendments shall not be relieved of any obligation under its proposal as submitted. Except as stated in this paragraph, no one is authorised to amend any part of this RFP, in any respect, either in writing or by oral statement.

9. COMPULSORY BRIEFING SESSION

9.1. CMS will conduct a concurrent physical and online (hybrid) compulsory briefing for this tender, on the **13th November 2026 at 11:00 am**. All interested parties must send their RSVP by **12th November 2026** to Tenders@medicalschemes.co.za

9.2. All interested bidders must join the meeting 30 minutes before the start of the meeting to avoid any technical delays or disruptions. Interested Bidders may attend the briefing session in person at the CMS Offices if they are or will experience load shedding on the day of the briefing session. CMS will not be held liable for any technical challenges related to connectivity on the day of the briefing session.

9.3. ***Failure to attend the compulsory briefing session will lead to automatic disqualification, and the bidder will not be considered for further evaluation.***

SECTION 2: TERMS OF REFERENCE/ SCOPE OF WORK

1. PURPOSE

1.1. The purpose of this request for proposal is to request suitable internal audit service providers to submit proposals with regard to the provision of internal audit services to the CMS in line with Treasury Regulation 3.2.4, which states that, "An internal audit function may be partly or wholly contracted to an external organisation with specialist audit expertise, provided that its selection is in accordance with the relevant government's competitive tendering procedures".

1.2. Prospective Bidders should be familiar with the provisions of:

1.2.1. the Public Finance Management Act and its related National Treasury Regulations

1.2.2. the Medical Schemes Act and its Regulations

1.2.3. as well as the financial services industry, medical schemes industry, and

1.2.4. the regulatory environment

1.3. The contract term will be for a period of three (3) years, and the contract will be reviewed on an annual basis. The contract will also be assessed and monitored in accordance with Supply Chain Management requirements.

1.4. The internal audit function will report administratively to the Accounting Officer and functionally to the Audit and Risk Committee (ARC).

1.5. It is mandatory for the proposed senior resources of the preferred service provider (i.e., Directors/ Engagement Leader) to have the following appropriate professional qualification(s) enabling them to perform internal audit services:

1.5.1. Certified Internal Auditor (Certified by the Institute of Internal Auditors (**IIA**),

1.5.2. Chartered Accountant (SA) (Certified by the South African Institute of Chartered Accountants (**SAICA**)

1.5.3. South African Institute of Government Auditors (**SAIGA**)

1.5.4. Certified Information Systems Auditor (**Certified by ISACA**).

1.6. All core members of the internal audit team must be registered with a professional body that regulates the services they offer.

2. OBJECTIVES OF THE INTERNAL AUDIT FUNCTION

2.1. The objective of the outsourced Internal Audit function is to provide the CMS with independent, objective assurance, advice, insight, and foresight and to assist the CMS accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes throughout the organisation.

2.2. Background information on the structure of the CMS can be found in the latest Annual Report, which is available on our website (www.medicalschemes.co.za)

3. SCOPE OF WORK

The scope of the internal audit function includes the points listed below. However, if the bidder considers any other function imperative, it must be added and clearly defined.

3.1. **The internal audit function must, in consultation with CMS Management, the Audit and Risk Committee (ARC) and for approval by ARC, prepare**:

(a) A rolling three-year strategic Internal Audit Plan based on its assessment of key areas of risk for the CMS, having taken into consideration the regulator's current operations, the operations proposed in its corporate or strategic plan and its risk management strategy.

(b) An annual Internal Audit Plan.

(c) Audit Charter

(d) Audit strategy

(e) An annual Combined Assurance Plan

(f) Plans indicating the scope, cost and timelines of each audit in the annual internal audit.

(g) Quarterly audit reports directed to ARC detailing its performance against the annual internal audit plan to allow effective monitoring and intervention. It must co-ordinate with other internal and external providers of assurance to ensure proper coverage and minimal duplication of effort.

3.2. **The internal audit function must:**

3.2.1. provide the Council/Board with objective assurance, advice, insight and foresight.

3.2.2. carry out its mandate as stipulated in the Audit Charter by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management, and control processes throughout the CMS.

3.2.3. Co-ordinate their work with other internal and external assurance providers through combined assurance and/or as directed by the Audit and Risk Committee.

3.2.4. Assist the accounting officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement.

3.2.5. The controls subject to evaluation should encompass the following—

(a) the information systems environment;

(b) Risk Management

(c) the reliability and integrity of financial and operational information;

(d) the effectiveness of operations;

(e) safeguarding of assets; and

(f) compliance with laws, regulations and controls.

3.2.6. assist the accounting officer in achieving the objectives of the CMS by evaluating and developing recommendations for the enhancement or improvement of the processes through which:

(a) Objectives and values are established and communicated;

(b) The accomplishment of objectives is monitored;

(c) Accountability is ensured;

(d) Corporate values are preserved;

3.3. **The audits that will need to be taken into account at the CMS, including but not limited to, are:**

(a) Information and Communication Technology (ICT) systems review.

(b) Cybersecurity systems review

(c) Data integrity review

(d) Conducting special assignments and investigations, on behalf of ARC or the Chief Executive Officer (CEO), into any matter or activity affecting the integrity, interests and operating efficiency of the CMS.

(e) Audit designed to detect fraud.

(f) Financial Control review;
(g) Procurement and Supply Chain Management processes review
(h) Real-time probity reviews on tenders.
(i) Contract management
(j) Stakeholder management
(k) Compliance with policies, regulations and contracts;
(l) Performance information review;
(m) Review and ensure that annual financial statements comply with accounting standards.
(n) Follow-up on audit findings
(o) Project readiness reviews
(p) Business process reviews

4. FRAUD AND IRREGULARITIES

4.1. In planning and conducting its work, the internal auditor should seek to identify serious defects in internal controls, which might result in possible malpractices. Any such defects must be reported immediately to the CEO and/or ARC without disclosing these to any other staff. This also applies to instances where serious fraud and irregularities have been uncovered.

5. ACCOUNTABILITY

5.1. The Internal Audit function shall be ultimately accountable to the Audit and Risk Committee of the CMS to:

(a) Periodically provide an assessment of the adequacy and effectiveness of CMS processes for controlling its activities and managing its risks.
(b) Report significant issues related to the processes for controlling the activities of the CMS, including potential improvements to those and provide information concerning such issues through active and constructive resolution.
(c) Provide information on the status and results of the annual audit plan and the sufficiency of internal audit resources; and
(d) Coordinate with, and provide support or oversight of, other control and monitoring functions (risk management, compliance, security, legal, ethics, environmental, external audit).

6. INDEPENDENCE

6.1. Treasury Regulation 3.2.9 requires: “An internal audit function must report directly to the accounting officer and shall report at all audit committee meetings. The function must be independent of activities that are audited, with no limitation on its access to information.”

6.2. To provide for the independence of the Internal Audit function, the function reports administratively to the Accounting Officer and functionally to the Audit and Risk Committee of the CMS.

6.3. All relationships with any entity regulated by the CMS must be disclosed in Annexure K of this RFP.

7. RESPONSIBILITY

7.1. The Internal Audit function has the responsibility to:

(a) Fulfil the role of Chief Audit Executive for CMS audits.

(b) The Senior Manager Risk and Audit will be responsible for overseeing the CMS Audit and management of all responsibilities related to the contract.

(c) Develop a flexible annual audit plan using an appropriate risk-based methodology, including any risk or control concerns identified by management and submit that plan to the Audit and Risk Committee for review and approval, as well as periodic updates

(d) Implement the annual audit plan as approved, including as appropriate any special tasks or projects requested by Management and/or the Audit and Risk Committee. All requests made must be authorised by the Audit and Risk Committee.

(e) co-ordinate their work with other internal and external assurance providers through combined assurance and/or as directed by the Audit and Risk Committee.

(f) Maintain a professional audit staff with sufficient knowledge, skills, experience and professional certifications to meet requirements of the Internal Audit Charter.

(g) Ensure that there is audit staff continuity.

(h) Any replacement of team members must be undertaken using personnel with qualifications and experience equivalent to those specified in the initial proposal, to ensure continuity and maintain the required standard and quality of the service without compromising the quality of the work. Evaluate and assess significant merging/consolidating functions and new or changing services, processes, operations and control processes coincident with their development, implementation and/or expansion.

(i) Be aware of changes in the environment and prioritise these for consideration by the Audit and Risk Committee.

(j) Issue periodic reports to the Audit and Risk Committee and management summarising the results of internal auditing.

(k) Keep the Audit and Risk Committee informed of emerging trends and successful practices in internal auditing.

(l) In accordance with the defined scope, assist the Accounting Authority and the Accounting Officer in maintaining efficient and effective controls by evaluating these controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The controls subject to evaluation should encompass the following:

    i. The Information Systems environment.
    ii. The reliability and integrity of financial and operational information;
    iii. The effectiveness of operations.
    iv. Safeguarding of assets; and
    v. Compliance with laws, regulations and controls.

(m) In accordance with the defined scope, assist the Accounting Officer in achieving the objectives of the institution by evaluating and developing recommendations for the enhancement or improvement of the processes through which:

    i. Objectives and values are established and communicated;
    ii. The accomplishment of objectives is monitored;
    iii. Accountability is ensured; and

iv. Corporate values are preserved.

8. STANDARDS OF AUDIT PRACTICES

8.1. The Internal Audit function performs the reviews in accordance with the Global Internal Audit Standards.

8.2. Manage the internal audit function in accordance with the internal audit charter and the Global Internal Audit Standards.

8.3. The Engagement partner and the team involved are expected to conform with the Global Internal Audit Standards.

9. RELATIONSHIPS WITH EXTERNAL AUDITORS

9.1. The Internal Audit function will co-ordinate its work with other assurance providers as directed by the Audit and Risk Committee.

9.2. The internal audit function is expected to meet with the CMS appointed external auditors at least twice a year or as directed by the ARC.

9.3. The External Auditors will be notified of the activities of the internal audit in order to minimise duplication of audit effort. This will be accomplished by:

(a) A compulsory meeting between internal auditors and the external auditors to discuss the annual internal and external audit plan;

(b) Access by the External Auditors to the Internal Audit documentation.

(c) Exchange of management letters and internal audit reports;

(d) Access to system documentation; and

(e) Sharing information on perceived risk areas.

10. EVALUATION PROCESS AND CRITERIA

10.1. Evaluation of bids will be conducted in four (4) phases as follows:

Table 1 – Evaluation Process and Criteria

Stage	Details
Phase 1	**Administrative evaluation criteria**: The purpose of these criteria is to evaluate the bidders' s completeness of the tender documents
Phase 2	**Mandatory evaluation criteria**: These criteria evaluate bidders' eligibility and compliance with applicable laws and regulations. Bidders who fail the mandatory criteria will not proceed to **Phase 3.**
Phase 3	**Technical / Functional evaluation criteria**: The purpose of these criteria is to evaluate the bidders on their technical competencies. Bidders who failed technical/ functional criteria will not proceed to **Phase 4.**
Phase 4	**Price and Specific Goals evaluation criteria**: These criteria evaluate bidders based on the bid price and Specific Goals.

10.2. **Phase 1 - Administrative Evaluation Criteria**

The Bidder must meet all the following requirements to pass the Administrative Evaluation:

(a) The Bidder must fully comply with the Instructions for Submitting Proposals, outlined in **Section 4** and must ensure that they complete and sign all the bidding documents in this section.

(b) All the documents listed in **Sections 4 and 5** of the tender documents must be submitted and completely signed. Failure to submit and sign the requested documents may result in disqualification at this stage.

(c) Any Bidder that fails to meet the Administrative Evaluation Criteria may be disqualified and may not be considered for further evaluation.

10.3. **Phase 2 - Mandatory Technical Evaluation Criteria**

a) Bidders must meet all the following criteria to be considered for further evaluation. Failure to meet all the following criteria will lead to automatic disqualification:

Table 2 - Mandatory Technical Evaluation Criteria

Mandatory Technical Evaluation Criteria	**Comply**	**Does not Comply**	**X-Cross Reference/ Comments.** (Bidder to complete this column)
1. The bidder must provide a minimum of two testimony letters as proof that they provided Internal Audit Services to their respective clients in the public sector. **Testimony letters (on company letterhead) must include the website address, the name of the organisation, the contact person and contact details.** • Testimony letters must be related to Internal Audit Services. **CMS will not accept any letter that is not relevant to the Internal Audit Services.** • Each letter must have been issued within the last five (5) years from the closing of this bid.			
2. The following team members must be registered with the relevant professional audit bodies, as indicated below: • **Engagement Leader / Director: Must be a CA (SA) or CIA** • **Senior Audit Manager /Audit Manager: SAICA or SAIGA, or IIA** • **Senior Auditor: SAICA or SAIGA, or IIA** • **ICT Auditor: ISACA Certificate** For each member mentioned above, a valid certificate of registration or letter of good standing issued by the relevant professional body must be submitted. The certificate or letter of good standing must be valid as at the closing date of the bid.			
3. Attendance of Compulsory Briefing Session			
4. Submission of tender documents before or on the closing date and time.			

Mandatory Technical Evaluation Criteria	Comply	Does not Comply	X-Cross Reference/ Comments. (Bidder to complete this column)
All bids must be submitted before the Tender Closing Date and Time in the tender box at the address noted on the cover page. All bids submitted after the Closing Date and Time will not be considered.			
5. Submit the company's audited financial statements for the past three (3) years.			

b) In their responses, Bidders must state whether or not they comply or do not comply with each of the requirements above and provide a comment substantiating their claim or provide a cross reference where in the proposal they address this requirement.

c) If a Bidder does not comply with any requirement in the mandatory criteria, they will be disqualified and will not be considered for further evaluation on technical criteria.

10.4. **Phase 3 - Functional/ Technical Evaluation Criteria**

Bidders will be evaluated in terms of the prevailing supply chain policy applicable to Council for Medical Schemes, and it should be noted that:

(a) A minimum of **75** points out of 100 points on technical capability will be the cut-off to qualify for further evaluation **of Price and Specific Goals**.

(b) The Council for Medical Schemes will analyse and assess technical capability; therefore, the bidder should demonstrate the following:

Table 1 - Weighted Functional/ Technical Evaluation Criteria

CRITERIA	SUB-CRITERIA	WEIGHTING and MAXIMUM POINTS
A) Approach and Methodology	The service provider must demonstrate an in-depth understanding of the different types of audits undertaken by the CMS internal audit function (**40 Points**): 1. Risk-based Internal Audit Methodology inclusive of fraud risk assessment — **10 Points** 2. ICT Audits Methodology — **10 Points** 3. Performance Audits Methodology — **10 Points** 4. Internal Financial Controls including the review of annual financial statements — **10 Points**	**40**

<table>
<tr><th>CRITERIA</th><th>SUB-CRITERIA</th><th>WEIGHTING and MAXIMUM POINTS</th></tr>
<tr><td>B) Quality Assurance Reviews</td><td>1. The bidder must demonstrate Quality Assurance Reviews (15 Points)<table><tr><td>1.1. The Bidder must provide proof of quality assurance review(s) of their work done by an independent external service provider accredited by the IIA (provide a certificate or letter):
2 and above certificates or letters with positive feedback or outcome issued in the last ten years (15 Points)
1 certificate or letter with positive feedback or outcome issued in the last ten years (8 Points)
Non-submission of the certificate or letter (0 Points)</td><td>15 Points</td></tr></table></td><td>15</td></tr>
<tr><td>C) Experience and Qualifications of the Proposed Team</td><td>1. Demonstrate experience and qualifications of the proposed team and experience of Team/ Engagement Leader relevant to the scope of work (Attach CV’s and Qualifications) (45 Points)
1.1. Experience of the Engagement Leader in the practice of internal auditing (15 Points)<table><tr><td>Above 10 Years Experience</td><td>15 Points</td></tr><tr><td>8-10 Years Experience</td><td>10 Points</td></tr><tr><td>5-7 Years Experience</td><td>5 Points</td></tr><tr><td>Below 4 years and 11 months of experience</td><td>0 Points</td></tr></table>1.2. Demonstrate experience and qualifications of the Senior Audit Manager or Audit Manager relevant to the scope of work (Attach CV’s and Qualifications) (10 Points):
1.2.1. Qualification of the proposed Senior Audit Manager or Audit Manager (5 Points):<table><tr><td>Certified Internal Auditor</td><td>5 Points</td></tr><tr><td>Honors/Postgraduate Diploma in Internal Audit/Finance/Audit (NQF 8 or above)</td><td>3 Points</td></tr><tr><td>Degree, B-Tech or Advanced Diploma and below (NQF 7)</td><td>1 Points</td></tr><tr><td>National Diploma and below (NQF 6)</td><td>0 Points</td></tr></table></td><td>45</td></tr>
</table>

<table>
<tr><th>CRITERIA</th><th>SUB-CRITERIA</th><th>WEIGHTING and MAXIMUM POINTS</th></tr>
<tr><td></td><td>
1.2.2. Demonstrate working experience of the Senior Audit Manager or Audit Manager (5 Points):
<table>
<tr><td>• Above 10 Years Experience</td><td>5 Points</td></tr>
<tr><td>• 6 to 9 Years Experience</td><td>3 Points</td></tr>
<tr><td>• 4- 5 Years Experience</td><td>1 Points</td></tr>
<tr><td>• Below 4 Years Experience</td><td>0 Points</td></tr>
</table>
1.3. Demonstrate experience and qualifications of the Senior Auditor relevant to the scope of work (Attach CV’s and Qualifications) (10 Points):

1.3.1. Demonstrate qualification of the proposed Senior Auditor (5 Points)
<table>
<tr><td>• Honors/Postgraduate Diploma in Internal Audit/Finance/Audit (NQF 8 or above)</td><td>5 Points</td></tr>
<tr><td>• Degree, B-Tech or Advanced Diploma and below (NQF 7)</td><td>3 Points</td></tr>
<tr><td>• National Diploma (NQF 6)</td><td>1 Point</td></tr>
<tr><td>• Matric (NQF 5)</td><td>0 Points</td></tr>
</table>
1.3.2. Demonstrate working experience of the Senior Auditor (5 Points):
<table>
<tr><td>• Above 10 Years Experience</td><td>5 Points</td></tr>
<tr><td>• 4 to 9 Years Experience</td><td>3 Points</td></tr>
<tr><td>• 2 -3 Years Experience</td><td>1 Point</td></tr>
<tr><td>• Below 2 Year Experience</td><td>0 Points</td></tr>
</table>
1.4. Demonstrate working experience of the Senior ICT Auditor in ICT audit (10 Points):
<table>
<tr><td>• 10 Years Experience and above</td><td>10 Points</td></tr>
<tr><td>• 6 to 9 Years Experience</td><td>7 Points</td></tr>
<tr><td>• 4- 5 Years Experience</td><td>4 Points</td></tr>
<tr><td>• Below 4 Years Experience</td><td>0 Points</td></tr>
</table>
All qualifications submitted as part of this RFP must be certified copies and must not be more than six (6) months old as of the tender submission date. Failure to provide valid certified copies within the prescribed period will result in penalties during the evaluation and scoring process.
</td><td></td></tr>
</table>

CRITERIA	SUB-CRITERIA	WEIGHTING and MAXIMUM POINTS

10.5. **Phase 4: Price and Specific Goals Evaluation Criteria**

10.5.1. **Proposed Fees**

10.5.1.1. It is understood that internal audits are based on hourly rates and that budgets are compiled once the appointed auditor has assessed the likely extent of the work. Proposed fees will be compared on the basis of consolidated hourly rates and estimated hours. Firms are required to submit a table of hourly rates as per the table below. Proposed Rates should be inclusive of overheads and VAT.

10.5.1.2. It is recognised that it is difficult for a prospective Bidder to be firm about the extent of the work based solely on the terms of reference. However, to assist with assessments, a firm must provide a typical distribution of time for members of the audit team on a job of this nature. This should be expressed in percentages of the total person-hours billed on a typical job (**refer to pricing schedule on SBD 3.3**.), which is indicative only and not binding on the firm.

10.5.1.3. The bidders must prepare their proposed fees according to the pricing schedule on SBD 3.3.

10.5.2. **Preference Points System (Pricing – 80 and Specific Goals - 20)**

<table>
<tr><th>CRITERIA</th><th>SUB-CRITERIA</th><th>WEIGHTING/POINTS</th></tr>
<tr><td>Price</td><td>Detailed Breakdown</td><td>80</td></tr>
<tr><td>Specific Goals</td><td>(a) Historically Disadvantaged Individuals (5 Points)
<table>
<tr><td>80% - 100% Black-Owned</td><td>5 Points</td></tr>
<tr><td>50% - 79.99% Black-Owned</td><td>4 Points</td></tr>
<tr><td>20% - 49.99% Black-Owned</td><td>3 Points</td></tr>
<tr><td>1% - 19.99% Black-Owned</td><td>1 Point</td></tr>
<tr><td>Below 1% Black-Owned</td><td>0 Point</td></tr>
</table>
(b) Size of the Company (3 Points)
<table>
<tr><td>EME</td><td>3 Points</td></tr>
<tr><td>QSE</td><td>2 Points</td></tr>
<tr><td>Generic Enterprise</td><td>1 Points</td></tr>
</table></td><td>20</td></tr>
</table>

<table>
<tr><th>CRITERIA</th><th>SUB-CRITERIA</th><th>WEIGHTING/POINTS</th></tr>
<tr><td></td><td>
(c) Black Woman-Owned Enterprise (5 Points)
<table>
<tr><td>75% - 100% Black Women Owned</td><td>5 Points</td></tr>
<tr><td>51% - 74,99% Black Women Owned</td><td>3 Points</td></tr>
<tr><td>1% - 50,99% Black Women Owned</td><td>1 Point</td></tr>
<tr><td>Below 1% Black-Owned Women</td><td>0 Point</td></tr>
</table>
d) Ownership by People with Disabilities (3 Points)
<table>
<tr><td>75% - 100% Ownership by People with Disabilities</td><td>3 Points</td></tr>
<tr><td>51% - 74,99% Ownership by People with Disabilities</td><td>2 Points</td></tr>
<tr><td>1% - 50,99% Ownership by People with Disabilities</td><td>1 Point</td></tr>
<tr><td>Below 1% Ownership by People with Disabilities</td><td>0 Point</td></tr>
</table>
(e) Ownership by Youth (under 35 years) (4 Points)
<table>
<tr><td>75% - 100% Ownership by Youth</td><td>4 Points</td></tr>
<tr><td>51% - 74,99% Ownership by Youth</td><td>3 Points</td></tr>
<tr><td>20% - 50,99% Ownership by Youth</td><td>2 Point</td></tr>
<tr><td>1% - 19,99% Ownership by Youth</td><td>1 Point</td></tr>
<tr><td>Below 1% Ownership by Youth</td><td>0 Point</td></tr>
</table>
</td><td></td></tr>
<tr><td colspan="2">TOTAL</td><td>100</td></tr>
</table>

10.6. **General Conditions to the Specific Goals**

10.6.1. Only a bidder who has completed and signed the declaration (SBD 6.1.) part of the bid documentation will be considered for preference points.

10.6.2. CMS may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to preference.

10.7. **Submission of mandatory documents**

- Bidders must submit the following documents for verification of specific goal points:
- Attach certified copy/ copies of South African ID of Directors/ Owners/ Shareholders to claim points for **Historically Disadvantaged Individuals (HDI)**
- Attach a valid B-BBEE Certificate or Sworn Affidavit to claim points for the **size of the company**. Bidders will be allocated points based on company size, regardless of whether they claim points on SBD 6.1; however, a valid Sworn Affidavit or B-BBEE Certificate must be submitted.

- Attach a medical certificate/ letter from the accredited Health Professional to claim points for **Ownership for People with Disabilities.**
- Attach a copy of the B-BBEE Certificate/ sworn affidavit, certified ID copy/ copies, and CIPC document to claim points for **Black Women Owned Enterprise.**
- Attach a certified copy of ID/ Sworn Affidavit/ CIPC document to claim points for **Youth Ownership.**
- Fully completed and signed SBD 6.1.
- A trust, consortium, or joint venture will qualify for points for their Specific Goals as a legal entity, provided that the entity submits all documents listed in paragraph **17 of Section 3** of this bid document for each entity.
- Failure on the part of a bidder to submit proof and the above-mentioned documentation, complete and signed as required in SBD 6.1, in terms of this bid to claim points for specific goals, will be interpreted to mean that the preference points for specific goals are not claimed.

SECTION 3: TERMS AND CONDITIONS OF TENDER

1. CONTRACT NEGOTIATION AND FORMATION

Any contract awarded pursuant to this RFP will incorporate the requirements, specifications, terms, and conditions contained in this RFP, as well as the contents of the Bidder's proposal as accepted by the CMS. The CMS reserves the right to negotiate modifications to the proposed terms and conditions with the apparent successful bidder in conjunction with the award criteria contained herein, prior to the execution of a contract, to ensure a satisfactory product or service. If the parties are unable to reach an agreement, the CMS may go to the next Bidder with the second-highest score. The successful bidder will be required to complete, sign, and submit a written contract form in accordance with the CMS Supply Chain Management Policy.

2. REJECTION OR ACCEPTANCE OF BIDS

CMS reserves the right to accept or reject bids on each item individually or as a whole, and to waive any irregularities in a submitted bid. Additionally, the successful bidder will be checked against the Register of Defaulters and the List of Restricted Suppliers on the National Treasury database.

3. PROPOSAL PREPARATION COSTS

All costs incurred in the preparation and submission of proposals and related documentation, including the Bidder's presentation to the CMS, will be borne by the Bidder.

4. PROPOSAL ACCEPTANCE PERIOD

Acceptance Period, as indicated in this RFP, means the number of calendar days available to CMS to award a contract. All bids shall remain available for the CMS's acceptance for a minimum of 120 days following the RFP closing date.

5. CLARIFICATION OF BIDS

Before awarding the contract, the CMS may, at its sole discretion, request clarification from any Bidder regarding proposal information, and may do so without informing any other Bidder.

6. SITE VISITS AND REFERENCE CHECKS

Vendors may be subject to site visits and/or reference checks during the procurement process.

7. MARKETING REFERENCES

The successful Bidder shall be prohibited from making any reference to the CMS, in any literature, promotional material, brochures, or sales presentations without the express written consent of the CMS.

8. ETHICS

The successful Bidder shall comply with CMS policies on gifts and gratuities. The vendor shall exercise reasonable care and diligence to prevent any actions or circumstances that could lead to a conflict of interest with CMS. Throughout the contract period, the vendor shall not accept any employment or undertake any work that could result in a conflict of interest with CMS, nor in any way undermine the work to be carried out under the contract. The vendor and/or its employees shall

not offer gifts, entertainment, payments, loans, or other considerations to CMS employees, their families, other contractors, subcontractors, or third parties to influence them to act against CMS interests. The vendor shall promptly notify CMS of any such violations of this provision upon becoming aware of them.

9. CONFIDENTIALITY

The Contractor, including its officers, agents, employees, and consultants, shall keep confidential any information or materials marked as proprietary and/or confidential to the CMS or any third party that the Contractor may access while performing its duties under this Agreement. The Contractor shall not disclose or permit others to disclose, nor use for personal gain, such confidential information or materials without the explicit written consent of the CMS or any third-party owner. The entire RFP document should be regarded as proprietary and confidential to the CMS. This non-disclosure obligation continues beyond this Agreement and remains in effect until such confidential information or materials are legally obtained or published publicly.

10. SPECIAL CONDITIONS

Any award(s) made as a result of this RFP will be subject to the following terms and conditions:

10.1. Liquidated Damages

The successful Bidder agrees to negotiate in good faith with the CMS, and a Liquidated Damages provision will specify an amount payable or creditable to the CMS if the Bidder fails to comply with the implementation schedule mutually agreed in the contract award.

10.2. Payment Schedule and Invoicing

The successful Bidder agrees to negotiate in good faith with the CMS for a progress payment schedule based on significant milestones identified in the scope of work and/or the implementation schedule included in the resulting contract. Bidders should include a suggested payment schedule in their proposal.

10.3. Prime Sponsor Terms and Conditions

Any award resulting from this RFP will be issued subject to the terms and conditions of the prime funding agency, in this case, CMS. Proposals submitted by Bidders who are unable to accept said terms will be considered non-responsive.

11. REJECTION OF PROPOSALS

11.1. CMS may reject non-responsive bids, including, without limitation, bids which contain the following defects:

a. Failure to conform to the rules or requirements contained in the RFP, including the instructions for submitting a proposal and the proposal format guidelines.
b. Failure to sign the entire original bid documentation (including additional submissions by the Bidder).
c. Proof of collusion among Bidders, in which case all proposals involved in the collusive action will be rejected.
d. Non-compliance with any applicable law, unauthorised additions or deletions, conditional bids, incomplete bids, or irregularities of any kind which may tend to make the bid incomplete, indefinite or ambiguous as to its meaning.
e. Provisions reserving the right to accept or reject an award or to enter into a contract containing terms and conditions that are contrary to those in the solicitation.

f. Furthermore, the contract with the successful bidder may be subject to conditions, such as (i) the successful Bidder should maintain its BBBEE status for the duration of the contract and (ii) the Bidder should provide additional documentation, such as a new tax clearance certificate, upon expiry of the previous version.

12. CONTRACT IDENTIFICATION

12.1. **Prime Contractor**

The CMS prefers to work with a single prime contractor for all product and implementation services. Nevertheless, if vendors wish to partner, they must submit a single proposal to an established entity that will be the primary point of contact and contracting authority.

12.2. **Vendor Prime Contractor Responsibility**

If a vendor's proposal includes equipment, hardware, software, or services to be supplied by other entities, the proposing vendor should act as the prime contractor for procuring all products and services. The vendor, as the prime contractor, should be the sole point of contact and responsible for payment of all charges arising from the purchase of the Internal Audit Services. The vendor, acting as primary contractor, should take full responsibility for rendering services by its subcontractor(s). Each subcontractor used by the vendor on this project shall be required to submit full identification of their company to the CMS on the form titled Subcontractor Identification, found in Annexure F to this RFP.

13. ENTIRE AGREEMENT

The contract executed pursuant to this RFP will state the entire agreement between the parties in respect of the subject matter covered therein and supersedes any previous or contemporaneous oral or written proposals, statements, discussions, negotiations, or other agreements. However, this RFP and the Bidder's response will be incorporated by reference into the contract.

14. ADDITIONAL INFORMATION

CMS may request additional information either from the Bidder or others to verify the Bidder's ability to meet the requirements of this RFP successfully.

15. NATIONAL TREASURY REQUIREMENTS

Within ten (10) working days after the closure of the advertised competitive bid, the CMS will publish on its website the names of all bidders that submitted bids in relation to the particular advertisement.

Information on the successful bid will be made available on the CMS website. In addition to the above, the successful bidder will be checked against the Register of Defaulters and the List of Restricted Suppliers on the National Treasury database.

16. REGISTRATION ON NATIONAL TREASURY CENTRAL SUPPLIER DATABASE (CSD)

Bidders must be registered on the CSD. Confirmation of registration in the form must be submitted together with the bid documents.

17. JOINT VENTURE

17.1. 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. Bidders that submit bids as a Joint Venture, Consortium or Trust must comply with the following requirements:

a. In the case of a Joint Venture or Consortium submission, the Bidder(s) shall submit a Joint Venture agreement signed by all parties.

b. Every member of the joint venture is registered with the professional body specified in this tender document.

c. Bidders must provide concrete proof of joint ventures and/or consortium arrangements. CMS will accept signed agreements as valid evidence of the existence of a joint venture and/or consortium arrangement.

d. The Joint Venture and/or Consortium agreements must clearly set out the roles and responsibilities of the Lead Partner/ Director and the Joint Venture and/or Consortium party. The agreement must also clearly identify the Lead Partner/Director, who has the power of attorney to bind the other party/parties in respect of matters relating to the Joint Venture and/or Consortium arrangement.

SECTION 4: INSTRUCTIONS FOR SUBMITTING PROPOSALS

1. **Bidders should submit their proposals in the format and manner described below. Proposals must provide a complete response to all requirements stated in the RFP. Proposals that are not compliant with the requirements may be disqualified.**
   (a) Bids sent via facsimile (FAX) or email will not be accepted. Late bids will not be accepted.
   (b) There should be one signed original, two (2) additional hard copies of the original document submitted and a USB. The original bid document must be initialled on every page/entire document, including all other submissions by the Bidder.
   (c) (c) The Pricing Schedule must be submitted in a separate sealed envelope. Pricing should not be included in any other part of the proposal or cover.
   (d) Bids must be sealed, and the outer package must be marked with the RFP number.
   (e) Structure of the Proposal:

2. **ENVELOPE 1 - TECHNICAL PROPOSAL. The technical proposal must be structured as follows:**
   Cover page. The cover page must be on the company letterhead and must include:
   (a) Name of the Company
   (b) RFP number and
   (c) Bid description

Table of Contents page

2.1. Executive Summary

All relevant forms and supporting documents attached to this document as Annexures A to H must be completed in full and, where applicable, signed by a duly authorised official of the primary contractor/bidder. The bidder is responsible for ensuring that all required annexures are completed accurately and submitted together with the bid.

The annexures comprise the following:

Annexure A – SBD 1: Invitation to Bid. The bidder must complete and sign the SBD 1 – Invitation to Bid form in full.

Annexure B – Proof of Authority

The bidder must submit documentary proof confirming that the person signing the SBD 1 is duly authorised to represent and bind the company. Acceptable proof may include a company resolution or other formal documentation confirming the signatory's authority.

Annexure C – SBD 4: Declaration of Interest

The bidder must complete and sign the SBD 4 – Declaration of Interest form. The vendor must certify that it has not entered into any contingent fee arrangement with any firm or person and that it has not, in any manner, sought through collusion to secure an advantage over other vendors. The completed Declaration of Interest – Form SBD 4 must be submitted as Annexure C to this RFP.

Annexure D: Mandatory Evaluation Requirements

The bidder must submit all documents and supporting information requested under the mandatory evaluation requirements set out in Annexure I. Failure to provide any of the required documents will result in the bid being deemed non-responsive and disqualified from further evaluation, subject to the provisions of the bid document and applicable procurement legislation.

Annexure E: Technical/Functional Evaluation Criteria

The bidder will be evaluated against the technical and functional evaluation criteria set out in this tender document. The bidder must provide all required supporting documentation and information to demonstrate compliance with the specified criteria.

Annexure F – SBD 6.1: Preference Points Claim Form

The bidder must complete and sign the Preference Points Claim Form – Form SBD 6.1 and submit all relevant supporting documentation required to substantiate the preference points claimed.

Annexure G – Proposal Adherence Checklist

The Proposal Adherence Checklist has been compiled for the bidder's convenience to assist in ensuring that the bid complies with the CMS administrative and technical requirements. The bidder must complete the checklist and ensure that all applicable supporting documentation is included in the bid submission.

Annexure H: Pricing Schedule

Bidders must complete and submit the pricing schedule and provide the required supporting documentation for the allocation of points in respect of specific goals, as set out in this tender document. All prices must be quoted in accordance with the instructions and requirements stipulated in the bid document.

3. Table – 4 ENVELOPE 2 – PRICING PROPOSAL.

3.1. Bidders are required to complete and submit the prescribed pricing template as part of **Envelope 2 – Pricing Proposal**. The following requirements must be adhered to:

a) **Annexure H – SBD 3.3: Pricing Schedule / Proposal**
The bidder must complete the SBD 3.3 – Pricing Schedule/Proposal in full. **All prices must include VAT**, where applicable.

b) Bidders are encouraged to submit the completed **Pricing Schedule and SBD 3.3** in a **separate sealed envelope** clearly marked **"Envelope 2 – Pricing Proposal"**. This ensures that pricing information is not disclosed or reflected in any other part of the proposal or on the proposal cover.

c) **Compliance with Proposal Submission Requirements**
Bidders must comply fully with all instructions and requirements relating to the prescribed format, structure, and submission of the proposal. Failure to comply with the specified requirements may result in the bidder being **disqualified or excluded from further participation in the bidding process**.

d) Bidders are therefore required to carefully review the tender document and ensure that their submissions comply with all administrative, technical, and pricing requirements.

e) **Submission Address**

Completed bids must be submitted to the address specified on the **RFP Cover Page** and within the stipulated closing date and time.

SECTION 5: RETURNABLE AND STANDARD BIDDING DOCUMENTS (SBD)

SBD 1

YOU ARE HEREBY INVITED TO BID FOR THE REQUIREMENTS OF THE COUNCIL FOR MEDICAL SCHEMES					
BID NUMBER:	**CMS03/2026/2027**	CLOSING DATE:	**30th November 2026**	Time	**11:00 AM**
DESCRIPTION	**Request for Proposals for the appointment of a service provider for the provision of Internal Audit Services for three (3) years**				
BID/QUOTATION RESPONSE DOCUMENTS MUST BE DELIVERED TO THE FOLLOWING ADDRESS:					
Council for Medical Schemes, Block A, Eco Glades 2 Office Park, 420 Witch-Hazel Avenue, Eco Park, Centurion, 0157					

		TECHNICAL ENQUIRIES MAY BE DIRECTED TO:	
CONTACT PERSON	**Mr. Mpho Mmethi**	CONTACT PERSON	**Ms Nodolly Ndhlovu**
TELEPHONE NUMBER		TELEPHONE NUMBER	
FACSIMILE NUMBER	**N/A**	FACSIMILE NUMBER	**N/A**
E-MAIL ADDRESS	m.mmethi@medicalschemes.co.za	E-MAIL ADDRESS	N.ndlhovu@medicalschemes.co.za

SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		**OR**	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] ☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX] ☐ Yes ☐ No

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

1. ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS/SERVICES/WORKS OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]	2. ARE YOU A FOREIGN-BASED SUPPLIER FOR THE GOODS/SERVICES/ WORKS OFFERED?	☐ Yes ☐ No [IF YES, ENCLOSE PROOF]

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 REGISTERED AS PER 2.3 BELOW

1. BID SUBMISSION:

1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.

1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**

1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.

1.4. **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

2. TAX COMPLIANCE REQUIREMENTS

2.1. BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.

2.2. BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.

2.3. APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.

2.4. BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.

2.5. IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.

2.6. WHERE NO TCS 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 WHO ARE PERSONS IN THE SERVICE OF THE STATE.

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

SIGNATURE OF BIDDER: ……

CAPACITY UNDER WHICH THIS BID IS SIGNED: ……

(**Proof of authority must be submitted, e.g. company resolution**)

DATE: ……..

PRICING SCHEDULE -FIRM PRICES

SBD 3.3

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

Name of bidder……bid number: **CMS03/2026/2027**

Closing Time: 11:00 am on the 30th November 2026

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

ITEM NO | DESCRIPTION | BID PRICE IN RSA CURRENCY **(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 RENDERED IN TERMS HEREOF)

4. PERSON AND POSITION HOURLY RATE DAILY RATE

---------- R---------- ----------

---------- - R---------- ----------

---------- R---------- ----------

---------- R---------- ----------

---------- R---------- ----------

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

---------- R---------- ----------

days

---------- R---------- ----------

days

---------- R---------- ----------

days

---------- R---------- ----------

days

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…….

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

5.1. Other expenses, for example accommodation (specify, e.g. three-star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). Based on 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 of the project after acceptance of bid

……

7. Estimated person-days for completion of project

……

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

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

……

Table 4- PRICING SCHEDULE (must be submitted in a separate envelope together with SBD 3.3.) The following pricing schedule will be used for the purpose of evaluation.

First Year		
Level of Resource	**Proposed Rate Per Hour (VAT Inclusive)**	**Estimated Hours**
Engagement Partner		2,700 Hours Per Annum
Manager		
Senior Auditor		
Senior ICT Auditor		
Auditor		
Specialists (e.g. tax, technical)		
Total Including VAT – 1st Year		
Second Year		
Level of Resource	**Proposed Rate Per Hour (VAT Inclusive)**	**Estimated Hours**
Engagement Partner		2,700 Hours Per Annum
Manager		
Senior Auditor		
Senior ICT Auditor		
Auditor		
Specialists (e.g. tax, technical)		
Total Including VAT – 2nd Year		
Third Year		
Level of Resource	**Proposed Rate Per Hour (VAT Inclusive)**	**Hours on a Project**
Engagement Partner		2,700 Hours Per Annum
Manager		
Senior Auditor		
Senior ICT Auditor		
Auditor		
Specialists (e.g. tax, technical)		
Total Including VAT – 3rd Year		
YEAR 1 TO 3: SUMMARY OF COST BREAKDOWN		
(TOTAL BID PRICE MUST INCLUDE ALLOWANCE FOR STAFF AND OTHER INCREASES FROM YEAR 2 TO 3)		
Year	Total Price Including VAT	
Year 1		
Year 2		
Year 3		
Grand Total Including VAT		

SBD4 - 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 enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, the bidder must make this declaration in respect of the details required hereunder.

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

2. Bidder's declaration

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

2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/directors/trustees/shareholders/members/ partners or any person having a controlling interest in the enterprise, in the 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 the procuring institution employs? **YES/NO**

2.2.1 If so, furnish particulars:

……

……

2.3 Does the bidder or any of its directors/trustees/shareholders/members/partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract?

YES/NO

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

2.3.1 If so, furnish particulars:

……

……

3. DECLARATION

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

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

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

3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium2 will not be construed as collusive bidding.

3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.

3.4 The terms of the accompanying bid have not been They will not be disclosed by the bidder, directly or indirectly, to any competitor, before 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 before and during the bidding process except to provide clarification on the bid submitted where so required by the institution. 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, suspicious bids 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.

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

…… ……

Signature Date

…… ……

Position Name of bidder

SBD 6.1 - 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

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1. **GENERAL CONDITIONS**

The following preference point systems apply 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).

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

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

1.2 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.

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

The maximum points for this tender are allocated as follows:

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

1.4 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.

1.5 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 regarding preferences, in any manner required by the organ of state.

2. DEFINITIONS

(a) **"tender"** means a written offer in the form determined by an organ of state in response to an invitation to provide goods

or services through price quotations, a competitive tendering process, or any other method envisaged in legislation;

(b) **"price"** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;

(c) **"rand value"** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

(d) **"tender for income-generating contracts"** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and

(e) **"the Act"** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULA FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

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

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

Where

Ps = Points scored for price of the tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

3.2.1. POINTS AWARDED FOR PRICE

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

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

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmax = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

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

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

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

(b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.

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

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
a) Historically Disadvantaged Individuals	N/A	**5 Points:** • 80% - 100% Black Owned – 5 Points	N/A	

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
		• 50% - 79.99 Black Owned - 4 Points • 20% - 49.99% Black Owned 3 Points • 1% - 19.99 Black Owned - 1 Point • Below 1% Black Owned - 0 Points		
Size of the Company/ Enterprise	N/A	**3 Points:** • Exempted Medium Enterprise- 3 Points • Qualifying Exempted Enterprise – 2 Points • Generic Enterprise -1 Point	N/A	
Black Women Owned Enterprise	N/A	**5 Points:** • 75% - 100% Black Women Owned - 5 Points • 51% - 74,99% Black Women Owned – 3 Points • 1% - 50,99% Black Women Owned - 1 Point • Below 1% Black Women Owned- 0 Points	N/A	
Ownership by People with Disabilities	N/A	**3 Points:** • 75% - 100% Ownership by People with Disabilities – 3 Points • 51% - 74,99% Ownership by People with Disabilities - 2 Points	N/A	

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
		• 1% - 50,99% Ownership by People with Disabilities - 1 Point • Below 1% Ownership by People with Disabilities- 0 Points		
Ownership by Youth (under 35 years)	N/A	**4 Points:** • 75% - 100% Ownership by Youth- 4 Points • 51% - 74,99% Ownership by Youth-3 Points • 20% - 50,99% Ownership by Youth-2 Points • 1% - 19,99% Ownership by Youth- 1 Points • Below 1% Ownership by Youth-0 Points	N/A	

DECLARATION ABOUT COMPANY/FIRM

4.3. Name of company/firm……

4.4. Company registration number: ……...

4.5. TYPE OF COMPANY/ FIRM

- □ Partnership/Joint Venture / Consortium
- □ One-person business/sole proprietorship
- □ Close corporation
- □ Public Company
- □ Personal Liability Company
- □ (Pty) Limited
- □ Non-Profit Company

□ State Owned Company

[TICK APPLICABLE BOX]

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

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) Ensure that clients are familiar with 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. In case of conflict, the provisions in the SCC shall prevail.

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GENERAL CONDITIONS OF CONTRACT

1. Definitions

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 anything 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 subsidised 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 recognised 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 with 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 consignee's 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, with 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 markets its goods on its own initiative in the RSA at lower prices than those in 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 are 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 to influence a procurement process or the execution of a contract to the detriment of any bidder and includes collusive practice among bidders (before 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 organisation 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 ancillaries 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 apply 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 conflict with these general conditions, the special conditions shall apply.

3. General

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

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

4. Standards

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

5. Use of contract documents and information; inspection.

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

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

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

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

6. Patent rights

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

7. Performance security

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

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

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

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

b) a cashier's or certified cheque

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

8. Inspections, tests and analyses

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

8.2. If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organisation 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 analysed 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. If the supplier fails to remove them, the rejected supplies shall be returned at the supplier's 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 transit points.

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. The supplier shall make delivery of the goods 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 the SCC.

10.2. Documents to be submitted by the supplier are specified in the 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 the 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 of 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 about 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:
  - ✓ advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
  - ✓ 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 purchaser's specifications require the design and/or material) 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 cost 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 upon fulfilment 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, except any price adjustments authorised 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 contract 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. The supplier shall make delivery of the goods and performance of services in accordance with the 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 its 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 cancelling 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 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. 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 to restrict 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 to 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 apply 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. In terms of 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 duty is increased in respect of any dumped or subsidised 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 duty is abolished, or where the amount of such provisional payment or any such duty 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 regarding 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 its delay in performance or other failure to perform its 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 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 wilful misconduct, and in the case of infringement pursuant to Clause 6;

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

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

29. Governing language

29.1. The contract shall be written in English. All correspondence and other documents about the contract that the parties exchange shall also be written in English.

30. Applicable law

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

31. Notices

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

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

32. Taxes and duties

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

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

32.3. No contract shall be concluded with any bidder whose tax matters are not in order. Before awarding a bid, the Department must have a tax clearance certificate submitted by the bidder. This certificate must be an original issued by the South African Revenue Service.

33. National Industrial Participation (NIP) Programme

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

34. Prohibition of Restrictive practices

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

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

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

General Conditions of Contract (revised July 2010)

Checklist (Annexure G)

ADMINISTRATIVE AND TECHNICAL RESPONSIVENESS CHECKLIST

GENERAL REQUIREMENTS	
1 signed original, 2 additional hard copies and USB	☐
In addition to being signed, the original must be initialed on each page.	☐
Bids sealed, and the outer package marked with the Request for Proposal number.	☐
Pricing proposal included in a different envelope from the technical proposal.	☐
Executive Summary included	☐
SCM Invite to Bid – Form SBD 1 (Annexure A)	
Name of Bidder and all contact details provided	☐
VAT Registration Number supplied	☐
Tax Clearance Certificate/ SARS PIN Document	☐
Registered Representative indicated	☐
Form Signed	☐
Proof of Authority to sign SBD1 (Annexure B)	
Proof of Authority to sign SBD1 included (e.g. company resolution)	☐
SCM Declaration of Interest – Form SBD4 (Annexure C)	
Questionnaire completed in full and any possible conflict of interest declared.	☐
Declaration signed by duly authorised representative	☐
Mandatory Technical Criteria (Annexure D)	
Mandatory Technical Criteria Template completed, and response included	☐
Letters from companies confirming previous clients' references relevant to this tender	☐
Weighted Technical Criteria (Annexure E)	
Weighted Technical Criteria Response included	☐
SCM Preference Points Claim Form – Form SBD 6.1 (Annexure F)	
Claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution (SBD6.1) completed and form signed.	☐
Valid B-BBEE status level certificate issued by an accredited verification agency submitted/ Sworn Affidavit (for EMS/QSE)	☐
SCM Pricing Schedule – Form SBD 3.3 - (Annexure H)	
Pricing proposal included in a different envelope from the technical proposal.	☐
Completed both the SBD 3.3 and the pricing template provided by CMS	☐