ABAQULUSI MUNICIPALITY

ADVERTISEMENT: TENDER NO: 8/2/1/447

INVITATION TO TENDER FOR THE SALE, MANAGEMENT, HARVESTING AND REMOVAL OF MUNICIPALLY OWNED TIMBER ON THE REMAINDER (OF 2) OF BLOEMVELD NO. 58 (141.9260 HA), PORTION 16 OF GROOTGEWACHT NO. 76 (615.4597 Ha), PORTION 14 (OF 13) OF GROOTGEWACHT NO. 76(110.9373 Ha) AND REMAINDER OF ERF 10,000 VRYHEID – PART 7 (130.3789 Ha) FOR THE PERIOD OF 9 YEARS AND 11 MONTHS.

NAME OF BIDDER	
BID AMOUNT INCLUDING VAT	**R**_____
POSTAL ADDRESS	
PHYSICAL ADDRESS	
EMAIL ADDRESS	
CONTACT DETAILS	
CSD NUMBER	

MBD 1

PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF ABAQULUSI LOCAL MUNICIPALITY					
BID NUMBER:	**8/2/1/447**	CLOSING DATE:	**14 DECEMBER 2026**	CLOSING TIME:	**12H00**
DESCRIPTION	**RE- ADVERTISEMENT: THE SALE, MANAGEMENT, HARVESTING AND REMOVAL OF MUNICIPALLY OWNED TIMBER ON THE REMAINDER (OF 2) OF BLOEMVELD NO. 58 (141.9260 HA), PORTION 16 OF GROOTGEWACHT NO. 76 (615.4597 Ha), PORTION 14 (OF 13) OF GROOTGEWACHT NO. 76(110.9373 Ha) AND REMAINDER OF ERF 10,000 VRYHEID – PART 7 (130.3789 Ha) FOR THE PERIOD OF 9 YEARS AND 11 MONTHS.**				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).					

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT MUNICIPAL OFFICES, CORNER OF MARK AND HIGH STREET VRYHEID 3100.

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							
TAX COMPLIANCE STATUS	TCS PIN:		**OR**	CSD No:			
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	☐Yes ☐No [IF YES ENCLOSE PROOF]			ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?	☐Yes ☐No [IF YES, ANSWER PART B:3]		
TOTAL NUMBER OF ITEMS OFFERED				**TOTAL BID OFFER**	**R**		
SIGNATURE OF BIDDER	……			**DATE**			
CAPACITY UNDER WHICH THIS BID IS SIGNED							

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		**TECHNICAL INFORMATION MAY BE DIRECTED TO:**	
DEPARTMENT	SCM	CONTACT PERSON	T MTHETHWA
CONTACT PERSON	N ZULU	TELEPHONE NUMBER	034 9822133
TELEPHONE NUMBER	034 9822133	FACSIMILE NUMBER	
FACSIMILE NUMBER		E-MAIL ADDRESS	nmthethwa@abaqulusi.gov.za
E-MAIL ADDRESS	scm@abaqulusi.gov.za		

PART B

TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:

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

1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR ONLINE**

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

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 VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.

2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.

2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.

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

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

2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.

3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

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

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

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

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

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

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

NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.

SIGNATURE OF BIDDER: ……

CAPACITY UNDER WHICH THIS BID IS SIGNED: ……

DATE: ……..

Application form to identify the area of operation where management and harvesting will be done and any operations will take place in the AbaQulusi Municipality owned Timber Farms

SECTION A: DESCRIPTION OF THE PROPERTY THAT IS APPLIED FOR			
Province			
Local Municipality			
District Municipality			
Coordinates			
Farm Name(S)			
1.			
2.			
3.			
4.			
5.			
SECTION B: APPLICANT'S INFORMATION			
Full Name		**GENDER:**	**AGE:**
Surname			
Marital Status			
ID Number		**CONTACT NUMBER(S)**	
Residential Address			
Postal Address			
Nearest Town			
Local Municipality			
District			
Province			

Email Address								
SECTION C: EMPLOYMENT & EDUCATIONAL BACKGROUND								
Occupation								
Name of employer								
Tye of employment (tick the box)	**Contract**		**Permanent**		**Volunteering**	**Seasonal**		
Self-employed: Describe the type of business	e.g Agriculture: Livestock farmer and generate income from cattle sales etc							
Source of income (tick the box)	**Salary/wage**		**Pension fund**		**Grants**		**Sales from farming**	
	No income		**Get money from relatives**		**Old age pension**		**Other:**	
Highest level of qualification (tick the box)	Primary		No education		Diploma		Master's Degree	
	Matric		N Level:		Degree		Doctorate degree	
Which areas of Timber farm management do you specialise in. (tick the box)	Land preparation		Seedling & Planting		Plant management		Harvesting & Sales	
	No. of years		No. of years		No. of years		No. of years	
Training / Personal Development								

Any training received in Forestry / Management of Timber farms formal / informal: **YES**		**NO**	

Year	**Name of Training e.g Bark removal**	**Company or Institution that provided the training**

SECTION D: INFORMATION OF A LEGAL ENTITY

	F	**M**
Number of members of the entity:		
Number of people with disability:		
Youth (18-35 years)		
26-65 years		
66 years and above		
Total		

Name of the entity:		
Type of entity (e.g Trust) :		
Registration number		
Number of years the entity in existence:		
Name and surname of the contact person:		
Postal address:		
Telephone:	**Cell:**	**Email:**

SECTION E: FORESTRY / TIMBER MANAGEMENT ACTIVITIES

Are you currently managing a timber / forestry farm (s)	**Yes**		**No**

IF YES, where is the farm situated (if more one farm, list the areas below)

NB: Attach proof: Agreement or letter if the farm is rented, leased or own by you or legal entity

1.	**2.**
3.	**4.**

How many years have you been managing timber /forestry farms:	
Name of any association(s) you are a member of or belong to:	
1.	**2.**
3.	**4.**
Number of people currently employed at the farm you are currently managing:	
Number of people to be employed in the farm you are applying for:	
Type of employment	**No. of employees**
Permanent	
Seasonal	
Contract	
Temporal	
Internship	
Volunteering	
Other	

Note: In instances where there is not adequate space, kindly provide the information in the Business plan / Proposal.

_____ _____

Signature by the applicant **Date**

RE- ADVERTISEMENT

INVITATION TO BID: TENDER NUMBER: 8/2/1/447

The Abaqulusi Local Municipality hereby invites suitably qualified, experienced and financially capable bidders to submit sealed tenders for the purchase, management, harvesting, removal and transportation of timber situated on municipal property by way of closed bid, on the remainder (of 2) of Bloemveld no. 58 (141.9260 ha), portion 16 of Grootgewacht no. 76 (615.4597 ha), portion 14 (of 13) of Grootgewacht no. 76(110.9373 ha) and remainder of erf 10,000 Vryheid – part 7 (130.3789 ha) for the period of 9 years and 11 months.

This invitation is issued in accordance with the provisions of the local government: municipal finance management act, 56 of 2003, the municipal asset transfer regulations, 2008, the municipality's supply chain management policy and all other applicable legislation. The timber species which is the subject of the tender is:

a) 611.8 hectares of wattle trees
b) 344.2 hectares of gum trees (grandis, dunnii, and smithii)
c) 201 hectares of pine trees

The plantation comprises both mature compartments immediately available for harvesting and immature compartments requiring silvicultural management until commercial maturity. Abaqulusi invite suitable proposals for sale, management, harvesting and removal of municipally owned timber on the remainder (of 2) of Bloemveld no. 58 (141.9260 ha), portion 16 of Grootgewacht no. 76 (615.4597 ha), portion 14 (of 13) of Grootgewacht no. 76(110.9373 ha) and remainder of erf 10,000 Vryheid – part 7 (130.3789 ha) for the period of 9 years and 11 months.

The above trees vary in their ages. The successful bidder will purchase standing timber owned by the Municipality and shall be responsible, at its own cost and risk, for:

a) harvesting and cutting the timber;
b) managing and growing the immature timber to mature ages,
c) loading and transporting the timber from the designated municipal property;
d) complying with all applicable environmental, occupational health and safety, forestry and road traffic legislation;
e) keep the farm, timber, buildings and the entire property comprehensively insured against all harm loss, damaged, fire, floods, infestation and damages including insured against third party;
f) indemnify the Municipality against any harm, loss or claim damages that may be suffered by any persons as result of occupation and or use of the farm by the bidder

g) restoring any damage caused to municipal property during harvesting and removal; and
h) complying with all conditions contained in the tender documents.

The timber will be sold “as is, where is”, without any warrant as to quality, merchantability or suitability for any particular purpose. It should be noted that the land is excluded from this sale that is this tender does not constitute land sale of the farm and the land will always remain the bare dominium property of the municipality.

Joint ventures or consortiums may submit bids.

GROOTGEWAACHT FARM

Property description (ERF)	Property extent	Suburb / Area	Zoning
Remainder (of 2) of Bloemveld No. 58	141.9260	Vryheid	Agriculture
Portion 16 of Grootgewacht No. 76	615.4597	Vryheid	Agriculture
Portion 14 (of 13) of Grootgewacht No. 76	110.9373	Vryheid	Agriculture
Remainder of Erf 10,000 Vryheid – Part 7	130.3789	Vryheid	Agriculture
Remainder (of 2) of Bloemveld No. 58	141.9260	Vryheid	Agriculture
Total farm extent (HA)	998,7056		
Area with standing timber (H)	628.00		

Tender documents may be obtained from the Municipality’s Supply Chain Management at Cnr. of Mark and High Streets, Vryheid, 3100 OR Tender Document may be downloaded from: www.etenders.gov.za and will be available from the **16th November 2026**. A non-refundable bid fee of **R 2000.00** is payable in favour of AbaQulusi Municipality, and electronic copies, i.e. Bidder print the document on their own, only administration cost is payable of **R 1500.00**. Proof of payment will be required during the collection and submission of the tender document. Failure to submit proof of payment will render a tender non-responsive.

A compulsory site inspection will be held as follows:
Date: **24 November 2026**
Time: 10h00 AM
Venue: Abaqulusi Local Municipality Head Office, Council Chamber at Corner of Mark and High Street, Vryheid 3100 and Grootgewatch farm.

Important Note: Failure to attend the compulsory briefing and site inspection will render a tender non-responsive.

Late submitted, unmarked, faxed, falsified or e-mailed bids will not be considered and will be disqualified. Bids must be placed in envelopes, clearly marked " Sale, Management, Harvesting And Removal Of Municipally Owned Timber: Tender No. 8/2/1/447" and deposited in the tender box at Corner of Mark and High Street, Vryheid 3100, not later than 12h00 on **14 DECEMBER 2026**.

The bid will be evaluated and adjudicated according to the following criteria:

- Abaqulusi Local Municipality subscribes to the Preferential Procurement Policy Framework Act 200 (Act 5 of 2000). The 100 points preference Point Systems shall:
- FIRST STAGE: Returnable and Completeness then score 75 points to 100 points (minimum threshold 75 points)
- SECOND STAGE: Only bidders who pass the first stage with a minimum of 75 points will then be shortlisted and invited to present their Business Plans /Proposals to Bid Committees for assessment which is based on 100 points.
- Third STAGE: Responsive bids will be then pass to the stage of price and specific goals as the final stage.

CONDITIONS:

No awards will be made to a person:

- ❖ Who is not registered on the Central Supplier Data base
- ❖ Who is in the service of the state
- ❖ Specific Goals will be applicable
- ❖ Bids which are late will not be accepted,
- ❖ Bids will be valid for a period of 90 days
- ❖ Bids must only be submitted on the documentation provided by Abaqulusi Municipality (Original document)
- ❖ Fully Completed all the MBD'S on the tender document
- ❖ Fully completed Tender document (bidder will be disqualified for incomplete document))
- ❖ If that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state, and / or
- ❖ Who is an advisor or consultant contracted with the Municipality or municipal entity
- ❖ Service Providers should be on Municipal Data Base if not please collect data base forms at SCM Office or down load them from Municipal website (www.abaqulusi.gov.za) and submit them with your proposal document.
- ❖ Preferred address on CSD will be RECOGNISED.

RETURNABLE DOCUMENTS:

- ❖ Signed and Completed Application form (attached).

- Three year audited financial statements
- Central Supplier Data base registration report (Detailed) to claim special goals
- Valid copy of company registration document.
- SARS PIN or Tax Clearance certificate must be submitted
- Certified B- BBEE Certificate from registered accountant is required or original Sworn Affidavit from Commissioner of Oath.
- Timber experience with reference letter must be provided
- A Certified current account in terms of water and electricity / rates and taxes obtainable from your local municipality / Inkosi/ Councillor must be submitted not older than three months or lease agreement
- Certified copies of identity documents of directors and owners of the company must be submitted
- Proof of payment for tender document

The Abaqulusi Local Municipality does not bind itself to accepting any bids, either wholly or in part or give any reason for such action.

…….

SP DLAMINI

MUNICIPAL MANAGER

To be advertised on Provincial paper, E-tender Portal, Municipal Website and notice boards.

CERTIFCATE OF ATTENDANCE AT CLARIFICATION MEETING

This is to certify that (tenderer)……

Of (address)……..

……..was represented by the person(s) named below at the compulsory meeting held for all tenderers at (location)…….

……..on (date)……..starting at (time)……

I/We acknowledge that the purpose of the meeting was to acquaint myself / ourselves with the site of the works and its surroundings and / or matters incidental to doing the work specified in the Tender Documents in order for me / us to take account of everything necessary when compiling the tender document. I//We also acknowledge that I/ We have examined the Site Data made available by the Employer (including borehole cores and related information).

PARTICULARS OF PERSON(S) ATTENDED THE MEETING

NAME:……SIGNATURE:…….

CAPACITY:…….

NAME:……SIGNATURE:…….

CAPACITY:……

Attendance of the above person(s) at the meeting is confirmed by the Employer's Representative, Namely:

NAME:…….SIGNATURE:…….

CAPACITY:……DATE AND TIME:……..

ELIGIBILITY CRITERIA, MANDATORY DOCUMENTS AND PROCEDURES

The Abaqulusi Local Municipality hereby invites suitably qualified, experienced and financially capable bidders to submit sealed tenders for the purchase, management, harvesting, removal and transportation of timber situated on municipal property by way of closed bid, on the remainder (of 2) of bloemveld no. 58 (141.9260 ha), portion 16 of grootgewacht no. 76 (615.4597 ha), portion 14 (of 13) of grootgewacht no. 76(110.9373 ha) and remainder of erf 10,000 vryheid – part 7 (130.3789 ha) for the period of 9 years and 11 months.

This invitation is issued in accordance with the provisions of the local government: municipal finance management act, 56 of 2003, the municipal asset transfer regulations, 2008, the municipality's supply chain management policy and all other applicable legislation

Suitability: The properties are suitable for timber plantations/ timber operations. Prospective and eligible persons (with companies or natural persons) interested in purchase, management, harvesting, removal and transportation of timber situated on municipal properties from AbaQulusi Municipality are encouraged to Bid. Kindly note that these farms are operated as one unit. You can't apply for one portion of the farms.

ELIGIBILITY CRITERIA

- Applicants must be South African citizens (Africans, Indians, Whites and Coloureds), African in this context includes persons from the first nations of South Africa.
- Applicants must be 18 years or older and a valid South African Identity Document.
- Priority shall be given to applicants with more immediate proof of funds or finance to purchase and manage the farm as per agreement alternatively an off-take agreement.
- Applicants must indicate areas or timber farms they are currently operating or managing, if any
- The successful applicant **must be willing to operate and manage the farm on a full time basis** until tree reach maturity.
- Applicants must indicate the farming resources they have or submit proof of access to resources for the farming operation as, i.e., equipment and assets deemed necessary to operate/manage a timber farm, etc.; and
- Must have training and the necessary certificate for firefighting or must have the necessary comprehensive insurance to keep the farms, all buildings, timber and neighboring farm
- Timber marketing contract(s) alternatively offtake agreements will be an advantage

- People with disability/ youth and women that have a timber farm management experience are encouraged to bid.

MANDATORY DOCUMENTS AND PROCEDURES

- Completion of the application form and attachment of all mandatory supporting documents as indicated thereon;
- In the case of a natural person, a certified copy of the applicant's barcoded South African identity document;
- In the case of a juristic person, unabridged legal entity registration certificate, a resolution appointing the representative and a share register.
- A signed declaration form indicating that the applicant is not a public servant or a public office bearer. In the case of legal entities, all members must sign the said declaration;
- If shortlisted, applicants will be required to attend evaluation session where they will be required to present their Business Plans / Proposals. The details for time and venue for presentation shall be given to shortlisted applicants only.
- If not contacted within 90 days after closing date, kindly consider your application unsuccessful; and
- Correspondence will only be limited to the successful applicants.
- Outcome of the bid is communicated through Municipal Website

REJECTION OF APPLICATION

The applications will be assessed in accordance with the conditions and requirements advertised and may be rejected if:

- You do not meet the Eligibility Criteria above;
- A full compliance check of your details will be conducted, should it be found that you have provided false or misleading information, your application will be rejected. In case where awarding was done, the lease agreement will also be terminated.

TERMINATION OF APPLICATION

The evaluation or awarding of the lease arrangement shall cease under the following circumstances:

- if the applicant dies in case of sole proprietor
- Written withdrawal of application by the applicant;
- Withdrawal of the advertisement by the municipality; and
- Any other circumstances that the Supply Chain Management may feel justify the termination or withdrawal.

DETAILED INFORMATION ON CURRENT STATNDING TIMBER PLANTATIONS

The Abaqulusi Local Municipality hereby invites suitably qualified, experienced and financially capable bidders to submit sealed tenders for the purchase, management, harvesting, removal and transportation of timber situated on municipal property by way of closed bid, on the remainder (of 2) of Bloemveld no. 58 (141.9260 ha), portion 16 of Grootgewacht no. 76 (615.4597 ha), portion 14 (of 13) of Grootgewacht no. 76(110.9373 ha) and remainder of erf 10,000 Vryheid – part 7 (130.3789 ha) for the period of 9 years and 11 months.

This invitation is issued in accordance with the provisions of the local government: municipal finance management act, 56 of 2003, the municipal asset transfer regulations, 2008, the municipality's supply chain management policy and all other applicable legislation

The properties are currently utilized for agricultural timber production under short term caretaker arrangement. The amount of currently standing timber on the properties, as well as its varying ages is estimated as follows:

Pine Trees : 60.00 Ha

Wattle Trees : 229.70Ha

Gum Trees : 130.80Ha

Vacant land : 174.50Ha

Below are newly planted areas since 2021 to date, the balance of standing timber was planted prior to 2021.

YEAR	SPECIE	HECTARES	COMPARTMENT
2021	Black wattle	5.4	0014
2020	Pine	12.8	0016
2020	Pine	3.1	0012
2020	Pine	3.3	0029
2020	Pine	7.5	005
2020	Pine	1.8	0059
2022	Dunii Gum	4.2	0039
2022	Dunii Gum	1.7	004
2022	Dunii Gum	8.9	006b
2022	Smithii Gum	8	014

2022	Black wattle	15.4	036
2022	Black wattle	11.1	013
2022	Black wattle	15.4	036
2022	Dunii Gum	11.1	016
2022	Grandis Gum	6.1	017
2022	Grandis Gum	5.3	020
2021	Black wattle	11.8	024
2021	Black wattle	10	028
2022	Smithii Gum	8.2	033
2021	Black wattle	4.2	030
2021	Black wattle	3.9	039
2020	Black wattle	9.6	040
2022	Dunii Gum	3	045
2022	Dunii Gum	7.3	047
2022	Dunii	2.7	056
2020	Pine	10.2	084
2021	Black wattle	9.8	066
2021	Black wattle	5.5	054
2021	Black wattle	1.2	050
2022	Black wattle	2	088
2021	Dunii Gum	6.8	089
2021	Dunii Gum	2.3	087a
2022	Black Wattle	2.7	089b
2022	Black Wattle	6.7	092
2022	Black Wattle	5.2	091
2021	Dunii Gum	2.6	093
2022	Dunii Gum	19.6	093
2022	Dunii Gum	2.6	102
2022	Dunii Gum	12.2	101
2022	Dunii Gum	7.3	100
2022	Dunii Gum	1.2	103

NB: Please note that these are close estimate figures and the age of each species may vary.

The property has within itself a clubhouse and a dam which is used for recreational purposes.

a) The Land is to remain productive
b) Local economic empowerment through municipal assets
c) Promotion of transformation within the Agricultural sector (timber industry in particular)
d) Economic Growth and Development
e) The contract will be for a period not exceeding 9 years and 11 months.
f) The contract will be reviewed on an annual basis in line with the performance objectives and targets agreed upon by the Municipality and the successful bidder.
g) Strictly no sub- contracting will be allowed, unless agreed upon by agreed upon by Abaqulusi Municipality in order to meet transformational targets.

All proposals must be accompanied by the following compulsory returnable document:

- Certified Copy of ID.
- Certified Copy of Proof of Residence not older than 3 months, the Municipality will recognised the preferred address recorded on CSD.
- Signed and Completed Municipal Bid Documents (MBD's attached).
- Compliant with regulation 21 d (i) regarding the financial statements
- All proposals must be placed into the Tender Box outside the Municipality, located at the corner of Mark and High Street, Vryheid, KZN, 3100.
- All proposals must be submitted timeously.
- No late submissions will be accepted.
- All proposals must be completed in full and all supporting documents must be attached as required.
- No email or faxed submissions will be accepted.
- All costs related to the submission of this proposal shall be carried out by the applicant/bidder.

- The AbaQulusi municipality reserves the right not to make an award or appointment on the proposals received.
- All returnable documents must be signed where applicable.
- The AbaQulusi Local Municipality will not be held responsible for any submission delays whatsoever.
- All bids are valid for a period of 90 days after submission closing date.
- Proof of payment for the tender document

10.1. Responsiveness

*Failure to sign and submit all required documents, will deem the bid unsuccessful and will not be evaluated further than the responsiveness stage.

10.2. Functionality

A bidder must score a minimum of 75 points in order to qualify for further evaluation.

Criteria	***Description***	***Maximum Claimable Points***
Methodology and Approach	• Clear, well presented and competitive methodology • Addressing the entire value chain of a forestry business. (15**)** • Methodology addressing some parts of the value chain of a forestry business. (10) • Ambiguous methodology. (0)	15
Experience	Experience in the Forestry Industry: Timber farm management. Letters of reference from timber Trading companies / proof of contracts for previous timber farm management work/ CV (s) must be presented. • 0-5 years = 5 • 6-10 years = 10 • 20 years + = 20	20

Capability	• Adequate resources, knowledge, accreditations, proof of insurance and health and safety measures relevant to the operations. List of machinery / equipment relevant for timber farm management to be presented (15) • Inadequate resources, knowledge and safety measures to the operations. (10) • Inadequate resources, knowledge and safety measures to the operations. (0)	10
Local Empowerment	• A clear Local Empowerment and Corporate Social Investment Plan that outlines the use of local resources. (10) • Limited Local Empowerment and Corporate Social Investment Plan that outlines the use of local resources. (5) • Ambiguous Empowerment and Corporate Social Investment Plan that outlines the use of local resources. (0)	10
Skills Transfer Programme	• A clear Skills Transfer Plan in line with the Business Model (10) • Unclear Skills Transfer Plan in line with the Business Model Skills Transfer Plan in line with the Business Model. (0)	10

Environmental conservation and fire prevention plans	• Clear plan to protect water resources like river, fountains and streams, indigenous plans or plant species, reduce contamination of natural resources. There is a proof of experience in fire protection or proof of insurance to protect the timber from natural fires. (10) • The plan addresses some of the environmental concerns: water resources like river, fountains and streams, indigenous plans or plant species, reduce contamination of natural resources. Limited experience in fire prevention. (5) • Poor plan to address environmental concerns: protect water resources like river, fountains and streams, indigenous plans or plant species, reduce contamination of natural resources. No experience in fire prevention (0)	(10)
Sustainable Financial proposal (model) based on current timber industry norms and with the highest financial gain to the municipality	• Sustainable financial (10) management plan to ensure farm operations are not compromised. Diversification of timber products clearly outlined and offtake agreements are secured. • Ambiguous financial management plan to ensure farm operations are not compromised. There is less focus on Diversification of timber products and offtake agreements for timber products are yet secured (5) • Unclear financial management plan to ensure farm operations are compromised. Lack of Diversification of timber products and there are no offtake agreements for timber products (0)	(10)

Note: Successful bidder shall enter into a purchase, management, harvesting, removal and transport timber agreement with the Municipality for a period of 9 year and 11 months years. The successful bidder will also be required to submit immediate recent previous consecutive three years audited annual financial statements to Finance Department at AbaQulusi Municipality.

- The AbaQulusi municipality is entitled to amend any bid conditions, validity period, specifications, or extend the closing date of bids before the closing date. All bidders, to whom the bid documents have been issued, will be advised in writing of such amendments in good time.
- The AbaQulusi municipality reserves the right not to award a bid as per the proposals received.

SPECIAL CONDITIONS OF CONTRACT

TIMBER SALE AND PLANTATION MANAGEMENT AGREEMENT

TENDER NO. 8/2/1/447

between

ABAQULUSI LOCAL MUNICIPALITY

("the Municipality")

and

_____

Registration No. _____

("the Contractor")

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SECTION 1

DEFINITIONS AND INTERPRETATION

1. Definitions

In this Agreement, unless the context indicates otherwise—

"Agreement" means this Timber Sale and Plantation Management Agreement together with all annexures and schedules.

"Business Day" means any day other than a Saturday, Sunday or public holiday in the Republic of South Africa.

"Commencement Date" means the date specified in the Letter of Award or such later date as agreed in writing by the Parties.

"Commercial Forestry Practice" means accepted silvicultural and harvesting practices generally recognised within the South African forestry industry.

"Commercial Maturity" means the stage at which a plantation compartment has reached the age and size appropriate for commercial harvesting.

"Compartment" means an identifiable forestry block shown on the Plantation Register attached as Annexure A.

"Contract Price" means the purchase price accepted by the Municipality following the award of the Tender.

"Contractor" means the successful Tenderer appointed under this Agreement.

"Environmental Laws" means all legislation regulating environmental management, biodiversity, forestry, water resources and pollution.

"Harvest" includes felling, delimbing, cross-cutting, extraction, loading, transport and stacking of timber.

"Immature Plantation" means timber not yet suitable for commercial harvesting.

"Municipal Plantation" means all forestry land and plantation compartments listed in Annexure A.

"Performance Security" means the guarantee provided by the Contractor in accordance with Clause 15.

"Plantation Register" means the schedule identifying each plantation compartment, species, age, estimated volume and location.

"Silvicultural Operations" include pruning, thinning, weed control, fertilisation, replanting, pest management and disease control.

"Standing Timber" means all timber rooted in municipal land before harvesting.

"Timber" means all Wattle, Pine and Eucalyptus trees situated on municipal property.

2. Interpretation

Unless inconsistent with the context—

- words importing one gender include every gender;
- words in the singular include the plural and vice versa;
- references to legislation include amendments and replacements;
- headings are inserted for convenience only and shall not affect interpretation.

3. Order of Precedence

Should any inconsistency arise, the following documents shall prevail in the following order:

1. Letter of Award.
2. This Agreement.
3. Special Conditions of Contract.
4. Terms of Reference.
5. Pricing Schedule.
6. Tender Data.
7. Contractor's Tender Submission.
8. Annexures.

SECTION 2

4. BACKGROUND AND PURPOSE

Background

4.1. The Municipality is the owner of approximately **1 157 hectares of commercial timber plantations** situated within its jurisdiction.

4.2 The plantations comprise commercial Wattle, Pine and Eucalyptus plantations of varying ages.

4.3 Certain compartments have reached commercial maturity and are immediately available for harvesting.

4.4 Other compartments require continued silvicultural management before they become commercially harvestable.

4.5 The Municipality has resolved to dispose of the timber by way of a competitive procurement process while ensuring that the plantation remains sustainably managed and that immature compartments are preserved and developed to maturity.

4.6 The Contractor represented that it possesses the technical expertise, personnel, equipment and financial resources necessary to perform the obligations contemplated in this Agreement.

5. Purpose

The purpose of this Agreement is to:

(a) maximise the commercial value of municipal forestry assets;

(b) ensure sustainable forestry management;

(c) preserve immature plantations;

(d) ensure compliance with all applicable legislation;

(e) protect the Municipality's property and infrastructure;

(f) reduce environmental and wildfire risks; and

(g) secure fair value for the disposal of municipal timber.

SECTION 3

APPOINTMENT AND GRANT OF RIGHTS

5. Appointment

5.1. The Municipality hereby appoints the Contractor, who accepts such appointment, to purchase, manage and harvest the Municipal Plantation in accordance with this Agreement

5.2. The Contractor accepts full responsibility for the performance of all contractual obligations.

6. Grant of Rights

Subject to this Agreement, the Municipality grants the Contractor:

6.1. the right to harvest mature plantation compartments;

6.2. the right to manage immature plantation compartments until harvesting and replantation or rehabilitation;

6.3. the right to access municipal forestry roads and loading areas for the purpose of carrying out forestry operations;

6.4. the right to transport harvested timber from municipal property after payment and compliance with all contractual requirements.

6.5. No rights are granted beyond those expressly contained in this Agreement.

7. No Lease or Servitude

Nothing in this Agreement shall be construed as:

7.1. a lease of municipal land;

7.2. the creation of a servitude;

7.3. the transfer of ownership of municipal immovable property; or

7.4. the conferral of exclusive possession.

The Municipality retains full ownership and control of the land at all times.

8. Municipal Access

8.1. The Municipality and its authorised representatives may enter the plantation at any reasonable time to inspect forestry operations, verify compliance, audit records or investigate complaints.

8.2. The Contractor shall provide all reasonable assistance during such inspections.

8.3. The public shall have access to the plantation for recreational purposes currently occurring around the Grootgewacht Dam.

SECTION 4

SCOPE OF THE AGREEMENT

9. General Obligations

9.1. The Contractor shall perform all activities necessary to ensure that the Municipal Plantation is professionally managed throughout the contract period.

9.2. The Contractor shall provide all labour, management, equipment, transport, fuel, materials and supervision necessary to discharge its obligations.

10. Harvesting Services

The Contractor shall:

10.1. prepare annual harvesting programmes;

10.2. fell mature timber;

10.3. process timber into appropriate commercial products;

10.4. transport timber;

10.5. maintain production records;

10.6. rehabilitate harvested areas.

11. Plantation Management

11.1. The Contractor shall undertake all silvicultural operations required to preserve and improve immature plantations, including:

a) weed control;

b) pruning;

c) thinning;

d) fertilisation;

e) pest management;

f) disease management;

g) growth monitoring;

h) replanting.

12. Environmental Compliance

12.1. The Contractor shall ensure that all forestry operations comply with applicable environmental legislation and accepted forestry standards.

12.2. The Contractor shall immediately report any pollution incident, wildfire, unlawful harvesting or other environmental incident to the Municipality.

13. Road and Infrastructure Maintenance

13.1. The Contractor shall maintain all roads, bridges, culverts, drainage systems and loading areas used during forestry operations.

13.2. Damage caused by the Contractor shall be repaired at its own expense.

SECTION 5

CONTRACT PERIOD AND COMMENCEMENT

14. Duration

This Agreement shall commence on the Commencement Date and shall remain in force for **_9 YEARS AND 11 MONTHS**, unless terminated earlier in accordance with this Agreement.

15. Conditions Precedent

15.1. The Contractor shall not commence any harvesting or management activities until it has delivered to the Municipality:

15.1.1. the required Performance Security;

15.1.2. certificates of insurance;

15.1.3. an approved Health and Safety Plan;

15.1.4. an approved Fire Management Plan;

15.1.5. an Environmental Management Plan;

15.1.6. a detailed Annual Forestry Management Programme;

15.1.7. a Harvesting Programme for the first contract year.

15.2. Failure to satisfy these conditions within thirty (30) days of the Commencement Date shall entitle the Municipality, after giving written notice and a reasonable opportunity to remedy the default, to cancel the Agreement and claim any damages arising from the Contractor's breach.

16. Mobilisation

16.1. Within fourteen (14) days after the Commencement Date, the Contractor shall mobilise sufficient personnel, plant and equipment to commence forestry operations in accordance with the approved work programme.

16.2. The Municipality may inspect the Contractor's mobilisation arrangements before authorising operational activities.

17. Extension of the Agreement

17.1. The Municipality may, if permitted by applicable law and where operationally necessary to complete the management or harvesting of existing plantation compartments, agree to extend the Agreement on terms approved in accordance with the Municipality's procurement and contract management requirements. No extension shall arise automatically or by implication.

SECTION 6

PURCHASE PRICE AND PAYMENT

18. Purchase Price

18.1. The Contractor shall purchase the Standing Timber identified in Annexure A for the Contract Price accepted by the Municipality following the competitive bidding process.

18.2. The Contract Price shall constitute the total consideration payable to the Municipality for the rights granted under this Agreement and shall be exclusive of Value Added Tax ("VAT"), unless otherwise stated.

18.3. The Contractor acknowledges that the Purchase Price was determined after its own investigation into:

(a) the quantity and quality of the timber;

(b) the commercial value of each plantation compartment;

(c) accessibility;

(d) harvesting costs;

(e) market conditions; and

(f) all risks associated with the performance of this Agreement.

18.4. The Contractor shall have no claim against the Municipality arising from any error in its own valuation of the timber.

19. Payment Schedule

Unless otherwise provided in the Letter of Award, payment shall be made as follows:

Option A – Lump Sum Payment

19.1. The entire Purchase Price shall be paid on such terms as may be acceptable to the Municipality.

19.2. No harvesting shall commence until payment has been received.

20. Interest

20.1. Amounts outstanding beyond the due date shall bear interest at the prescribed legal rate.

21. No Set-Off

21.1. **T**he Contractor shall not deduct or set off any amount allegedly owing by the Municipality against monies payable under this Agreement.

22. Municipal Lien

22.1. Until full payment has been received, the Municipality shall have a lien over all harvested timber situated upon municipal property.

22.2. No timber may be removed until written authority has been issued by the Municipality.

SECTION 7

OWNERSHIP, POSSESSION AND RISK

23. Ownership of Standing Timber

23.1. Ownership of all Standing Timber shall remain vested in the Municipality until:

23.1.1. payment has been received in full for the relevant compartment;

23.1.2. the Municipality has authorised harvesting; and

23.1.3. a Timber Removal Permit has been issued.

24. Ownership of Harvested Timber

24.1. Ownership of harvested timber shall pass to the Contractor only upon:

24.1.1. payment in accordance with Clause 19;

24.1.2. completion of measurement;

24.1.3. written release by the Municipality.

25. Risk

25.1. Risk shall pass to the Contractor immediately upon the commencement date of the contract.

25.2. The Contractor assumes all risks relating to fire; theft; vandalism; employee negligence; accidental loss; storm damage occurring after harvesting commences; and transport.

26. No Transfer of Land Rights

26.1. Nothing in this Agreement transfers ownership of municipal land.

26.2. The Municipality retains ownership and possession of the plantation land throughout the contract period.

27. Timber Removal Permits

27.1. The Municipality shall issue Timber Removal Permits before any timber leaves municipal property.

27.2. Removal without a permit constitutes a material breach of this Agreement.

SECTION 8

PLANTATION MANAGEMENT OBLIGATIONS

28. General Standard

28.1. The Contractor shall manage the plantations in accordance with:

28.1.1. accepted South African commercial forestry practice;

28.1.2. sound silvicultural principles;

28.1.3. all applicable legislation;

28.1.4. the standards prescribed in Annexure C.

29. Weed Control

29.1. The Contractor shall undertake continuous weed management sufficient to prevent competition for nutrients and moisture.

30. Pruning

30.1. Pruning shall be carried out:

30.1.1. at appropriate growth stages;

30.1.2. using qualified personnel;

30.1.3. in accordance with recognised forestry standards.

31. Thinning

The Contractor shall undertake thinning where necessary to optimise future timber production.

32. Fertilisation

Where recommended by soil analysis, the Contractor shall apply appropriate fertiliser.

33. Pest and Disease Management

33.1. The Contractor shall continuously monitor plantations for:

33.1.1. insects;

33.1.2. fungal disease;

33.1.3. termites;

33.1.4. bark beetles;

33.1.5. invasive species.

33.2. Outbreaks shall be reported immediately to the Municipality.

34. Plantation Inventory

34.1. The Contractor shall maintain a Plantation Register containing:

34.1.1. compartment number;

34.1.2. GPS coordinates;

34.1.3. species;

34.1.4. age;

34.1.5. stocking density;

34.1.6. estimated volume;

34.1.7. harvesting history;

34.1.8. silvicultural interventions.

34.2. The Municipality shall have unrestricted access to the Register.

SECTION 9

HARVESTING OPERATIONS

35. Harvesting Programme

35.1. Within thirty (30) days after commencement, the Contractor shall submit an Annual Harvesting Programme for approval.

35.2. The Programme shall include:

35.2.1. compartment sequence;

35.2.2. harvesting dates;

35.2.3. estimated production;

35.2.4. transport arrangements;

35.2.5. rehabilitation schedule.

36. Harvest Authorisation

No harvesting shall commence without written approval from the Municipality.

37. Harvesting Standards

37.1. Harvesting shall:

37.1.1. **minimise wastage**

37.1.2. **minimise soil disturbance**

37.1.3. **minimise environmental damage**

37.1.4. protect retained trees;

37.1.5. protect municipal infrastructure.

38. Timber Measurement

38.1. The Municipality may appoint an independent timber measuring service.

38.2. Measurements shall include cubic metres; tonnes; log lengths; sawlog grades; pulpwood. Such measurements shall be prima facie evidence of harvested quantities.

39. Timber Records

39.1. The Contractor shall maintain daily harvesting records showing compartment; production; vehicle registration; destination; driver; load number; and date.

39.2. These records shall be available for inspection by the Municipality.

40. Damage to Infrastructure

The Contractor shall immediately repair any damage caused to:

40.1. municipal roads;
40.2. bridges;
40.3. culverts;
40.4. drainage systems;
40.5. fences;
40.6. gates.

SECTION 10

SILVICULTURAL MANAGEMENT AND REPLANTING

41. Management of Immature Compartments

Immature plantation compartments shall be managed continuously until they reach commercial maturity.

42. Replanting

42.1. Within the first suitable planting season following harvesting, the Contractor shall:

- prepare the site;
- rip compacted soil where required;
- plant approved seedlings;
- protect seedlings from grazing;
- replace failed seedlings.

43. Survival Rates

43.1. The Contractor shall achieve a minimum survival rate of **90%** twelve (12) months after planting.

43.2. Where survival falls below 90%, the Contractor shall replace the failed trees at its own cost.

44. Soil Conservation

The Contractor shall implement measures to prevent erosion; soil compaction; sedimentation, and degradation of watercourses.

45. Environmental Rehabilitation

45.1. Upon completion of harvesting in each compartment, the Contractor shall remove waste; stabilise disturbed areas; restore drainage; rehabilitate loading zones; and repair extraction tracks.

46. Annual Silvicultural Plan

46.1. The Contractor shall submit an Annual Silvicultural Plan identifying:

46.1.1. weed control programme;

46.1.2. pruning schedule;

46.1.3. thinning schedule;

46.1.4. fertilisation programme;

46.1.5. replanting programme;

46.1.6. disease monitoring;

46.1.7. growth projections.

46.2. The Municipality may require amendments where necessary to protect the long-term productivity of the plantation.

47. Insurance

47.1. The Contractor shall maintain insurance throughout the contract period with insurers authorised to conduct insurance business in South Africa.

47.2. The Contract shall maintain at least:

Insurance	**Minimum Cover**
Public Liability	R50 million
Environmental Liability	R20 million
Plant and Equipment	Replacement Value
Fire Damage	Replacement Value

47.3. Proof of insurance must be submitted at the commencement date failing which this Agreement shall become null and void.

47.4. The Contractor must submit updated proof of insurance on every anniversary of the commencement date of this Agreement for the duration of the contract period.

47.5. The Municipality may request proof of insurance at any time, which request must be complied with within 7 days from the date of request.

47.6. If the Contractor fails to maintain or obtain the requisite insurance the Municipality may –

47.6.1. suspend forestry operations,

47.6.2. obtain or maintain the insurance, which costs shall be recoverable against the Contractor, or

47.6.3. cancel the Agreement for material breach following the termination provisions of this Agreement.

PERFORMANCE SECURITY

48. General Security Requirements

48.1. As security for the due and proper performance of its obligations under this Agreement, the Contractor shall provide the Municipality with the securities specified in this Section.

48.2. All securities shall

48.2.1. be unconditional and irrevocable;

48.2.2. be payable on first written demand by the Municipality;

48.2.3. remain valid until released by the Municipality in writing;

48.2.4. be issued by a registered South African commercial bank or an insurer authorised to issue performance guarantees within the Republic of South Africa;

48.2.5. be in a form approved by the Municipal Manager.

48.3. The Contractor shall provide all required securities within fourteen (14) days after signature of this Agreement.

48.4. No harvesting, plantation management or access to the plantations shall commence until all required securities have been furnished and accepted by the Municipality.

49. Purchase Price Security

49.1. The Contractor shall furnish a **Purchase Price Guarantee** equal to one hundred per cent (100%) of the unpaid portion of the Purchase Price.

49.2. The Purchase Price Guarantee shall secure payment of all amounts owing to the Municipality under this Agreement.

49.3. The Municipality may demand payment under the Purchase Price Guarantee where the Contractor—

49.3.1. fails to pay any instalment of the Purchase Price on the due date;

49.3.2. removes timber before payment has been made;

49.3.3. attempts to dispose of timber contrary to this Agreement;

49.3.4. repudiates the Agreement after commencement.

49.4. The Municipality may retain the Purchase Price Guarantee until every amount due under this Agreement has been paid in full.

50. Operational Performance Guarantee

50.1. The Contractor shall provide an Operational Performance Guarantee equal to seventy-five per cent (75%) of the Contract Price.

50.2. This guarantee secures the Contractor's obligations relating to—

50.2.1. harvesting;

50.2.2. plantation management;

50.2.3. silvicultural operations;

50.2.4. road maintenance;

50.2.5. reporting obligations;

50.2.6. compliance with approved work programmes;

50.2.7. contractual performance generally.

50.3. The Municipality may call upon this guarantee where the Contractor abandons forestry operations; unlawfully suspends performance; fails to perform approved harvesting programmes; or materially breaches this Agreement and fails to remedy the breach within the prescribed period.

51. Environmental Rehabilitation Guarantee

51.1. The Contractor shall provide a separate Environmental Rehabilitation Guarantee.

51.2. The amount of the Environmental Rehabilitation Guarantee shall be the greater of

51.2.1. five per cent (5%) of the Contract Price; or

51.2.2. the independently assessed estimated rehabilitation cost determined before commencement of harvesting.

51.3. The Municipality may review the required amount annually where harvesting activities materially increase rehabilitation exposure.

51.4. The Environmental Rehabilitation Guarantee secures—

51.4.1. rehabilitation of harvested compartments;

51.4.2. restoration of roads;

51.4.3. erosion control;

51.4.4. removal of waste;

51.4.5. rehabilitation of loading areas;

51.4.6. environmental remediation.

52. Plantation Management Security

52.1. Because portions of the Municipal Plantation consist of immature timber requiring ongoing silvicultural management, the Contractor shall furnish a Plantation Management Security equal to the estimated cost of one (1) year's approved plantation management programme.

52.2. The amount shall be certified annually by a Professional Forester who shall be appointed at the sole cost of the Contractor.

52.3. This security shall guarantee performance of weed control; pruning; thinning; fertilisation; pest management; disease control; firebreak maintenance; replanting; and survival rate obligations.

53. Adjustment of Securities

53.1. The Municipality may require the securities to be adjusted annually where—

53.1.1. additional plantation compartments are released;

53.1.2. timber values increase materially;

53.1.3. rehabilitation costs increase materially;

53.1.4. the contract period is lawfully extended.

53.1.5. Any adjustment shall be based on an objective valuation prepared by an independent Professional Forester or other suitably qualified expert appointed by the Municipality.

54. Calling the Securities

54.1. The Municipality may demand payment under any security only to the extent reasonably necessary to compensate it for the relevant default.

54.2. Without limiting the Municipality's rights, it may call upon the appropriate security where the Contractor—

54.2.1. fails to pay the Purchase Price;

54.2.2. abandons forestry operations;

54.2.3. unlawfully harvests timber;

54.2.4. fails to maintain immature plantations after written notice and failure to remedy;

54.2.5. fails to rehabilitate harvested compartments after written notice and failure to remedy;

54.2.6. commits fraud or corruption in connection with this Agreement;

54.2.7. becomes insolvent or enters business rescue, where this materially affects the Contractor's ability to perform;

54.2.8. materially breaches this Agreement and fails to remedy the breach within the prescribed period.

54.3. Where the default is capable of remedy, the Municipality shall, before calling the relevant security, give written notice identifying the breach and allow the Contractor a reasonable period to remedy it, unless immediate action is reasonably necessary to protect municipal property, public safety or the environment.

55. Partial Drawings

The Municipality may make partial demands under any security. A partial payment shall not prevent further demands where additional losses are suffered.

56. Reinstatement of Security

56.1. Where any security is partially or wholly utilised, the Contractor shall restore that security to its required value within ten (10) Business Days after receiving written notice from the Municipality.

56.2. Failure to do so constitutes a material breach of this Agreement.

57. Release of Securities

57.1. The Municipality shall release each security separately once it is satisfied that the obligations secured by that instrument have been fully performed.

57.2. The release schedule shall be:

Security	Release
Purchase Price Guarantee	After full payment of the purchase price and settlement of all amounts due to the Municipality

Operational Performance guarantee	Upon completion of all harvesting and operational obligations and issue of a completion certificate.
Plantation Management Security	Upon certification that all plantation management obligations including survival rate requirements, have been met
Environmental Rehabilitation Guarantee	Upon final inspection confirming that all rehabilitation and environmental restoration obligations have been satisfactorily completed and accepted by the Municipality.

BID NO. 8/2/1/447

Pricing Schedule

Sale, Management, Harvesting and Purchase of Municipal Timber

Instructions:

- Prices in South African Rand (ZAR).
- Exclude VAT; show separately.
- Complete all sections.
- Include all costs.

Part A – Purchase Price Offer

Description	**Amount (ZAR)**
Lump Sum Purchase Price Offered	R _____

Part B – Timber Value Breakdown

Species	**Mature Timber**	**Immature Timber**	**Total Value**
Wattle	R	R	R
Pine	R	R	R
Eucalyptus	R	R	R

Part C – Estimated Harvest Volumes

Species	**Estimated Tons**	**Price per Ton**
Wattle		R
Pine		R
Eucalyptus		R

Part D – Silvicultural Management Costs

Activity	**Rate/ha**	**Total**
Weed control		
Pruning		
Thinning		
Firebreak maintenance		
Pest management		

Part E – Harvesting Costs

Activity	**Rate**
Felling	R/ton
Extraction	R/ton
Loading	R/ton
Transport	R/ton
Rehabilitation	R/ha
Replanting	R/ha

Part F – Financial Offer Summary

Description	**Amount**
Purchase Price Offered	
Management Costs	
Harvest Costs	
Rehabilitation Costs	
VAT	
Total Offer	

Declaration

I certify that the prices submitted are true and complete.

Name: _____

Signature: _____

Date: _____

TAX CLEARANCE CERTIFICATE REQUIREMENTS

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

1 In order to meet this requirement bidders are required to complete in full the attached form TCC 001

"Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax

Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.

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

3 The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax

Clearance Certificate will not be acceptable.

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

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

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

MBD4

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state[1].
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorized representative declare their position in relation to the evaluating/ adjudicating authority.
3. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

3.1 Full Name of bidder or his or her representative:……

3.2 Identity Number:…….

3.3 Position occupied in the Company (director, trustee, hareholder[2]):……..

3.4 Company Registration Number:……..

3.5 Tax Reference Number:……..

3.6 Vat Registration Number:…….

3.7 The names of all directors/ trustees/ shareholders[2] members, their individual identity numbers and state employee numbers must be indicated in paragraph 4 below.

---

[1] MSCM Regulations: "in the service of the state" means to be –

(a) a member of –

(i) any municipal council;

(ii) any provincial legislature; or

(iii) the national Assembly or the national council of provinces;

(b) a member of the board of directors of any municipal entity;

(c) an official of any municipality or municipal entity;

(d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);

(e) a member of the accounting authority of any national or provincial public entity; or

(f) an employee of Parliament or a provincial legislature.

[2] Shareholder" means a person who owns shares in the company and is actively involved in the management of the company or business and exercises control over the company.

3.8 Are you presently in the service of the state? **YES/ NO**

3.8.1 If yes, furnish particulars……

……..

3.9 Have you been in the service of the state for the past twelve months?.....**YES/ NO**

3.9.1 If yes, furnish particulars……

…….

3.10 Do you have any relationship (family, friend, other) with persons in the service of the state and may be involved with the evaluation and or adjudication of this bid ?

..... **YES/ NO**

3.10.1 If yes, furnish particulars……

……

3.11 Are you, aware of any relationship (family, friend, other) between any other bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid? Y**ES / NO**

3.11.1 If yes, furnish particular……

……

3.12 Are any of the company's directors, trustees, managers, principle shareholders or stakeholders in the service of the state? **YES / NO**

3.12.1 If yes, furnish particulars. ……

……

3.13 Are any spouse, child or parent of the company's directors trustees, managers, principle shareholders or stakeholders in service of the state? **YES / NO**

3.13.1 If yes, furnish particulars

……

……

3.14 Do you or any of the directors, trustee, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract. **YES / NO**

3.14.1 If yes, furnish particular

……

……,

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

Full Name	Identity Number	State Employee Number

…… ……

Signature **Date**

…… ……

Capacity **Name of Bidder**

MBD 5

DECLARATION FOR PROCUREMENT ABOVE R10 MILLION (VAT INCLUDED)

For all procurement expected to exceed R10 million (VAT included), bidders must complete the following questionnaire:

1 Are you by law required to prepare annual financial statements for auditing?

1.1 If yes, submit audited annual financial statements for the past three years or since the date of establishment if established during the past three years.

……

……

2 Do you have any outstanding undisputed commitments for municipal services towards a municipality or any other service provider in respect of which payment is overdue for more than 30 days?

2.1 If no, this serves to certify that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days.

YES / NO

2.2 If yes, provide particulars.

……

……

……

……

……

……

3 Has any contract been awarded to you by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract?

3.1 If yes, furnish particulars

…….

……

4. Will any portion of goods or services be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality / municipal entity is expected to be transferred out of the Republic? **YES / NO**

4.1 If yes, furnish particulars

……..

……..

CERTIFICATION

I, THE UNDERSIGNED (NAME) ……

CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS CORRECT.

I ACCEPT THAT THE STATE MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

…….. ……..

Signature Date

…… ……..

Position Name of Bidder

MBD 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

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

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

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

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

a) The applicable preference point system for this tender is the 90/10 preference point system.

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

c) Either the 90/10 or 80/20 preference point system will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

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

(a) Price; and

(b) Specific Goals.

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

The maximum points for this tender are allocated as follows:

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

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

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

2. DEFINITIONS

(a) **"tender"** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;

(b) **"price"** means an amount of money tendered for goods or services, and includes all

applicable taxes less all unconditional discounts;

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

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

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

3.1.1 THE 80/20 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 tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

3.2.1. POINTS AWARDED FOR PRICE

A maximum of 80 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 the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 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 per 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 (80/20 system) (To be completed by the organ of state)**	**Number of points claimed (80/20 system) (To be completed by the tenderer)**
Previously disadvantaged individuals	**20 points**	
100% HDI EQUITY	5	
Empowering of local based service providers	15	

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm **…….**

4.4. Company registration number: **……**

4.5. TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

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

i) The information furnished is true and correct;

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

iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;

iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –

(a) disqualify the person from the tendering process;

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

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

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

(e) forward the matter for criminal prosecution, if deemed necessary.

SIGNATURE(S) OF TENDERER(S) ……..

SURNAME AND NAME: ……

DATE: ……

ADDRESS: ……

……

……

……

CONTRACT FORM - RENDERING OF SERVICES

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

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

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

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

   (i) Bidding documents, *viz*
   - Invitation to bid
   - Tax clearance certificate
   - Pricing schedule(s)
   - Filled in task directive/proposal
   - Preference claims in terms of the Preferential Procurement Regulations 2022
   - Declaration of interest
   - Special Conditions of Contract;

   (ii) General Conditions of Contract; and

   (iii) Other (specify)

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

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

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

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

NAME (PRINT) …….

CAPACITY …….

SIGNATURE …….

NAME OF FIRM …….

DATE …….

WITNESSES

1 …….
.

CONTRACT FORM - RENDERING OF SERVICES

PART 2 (TO BE FILLED IN BY THE PURCHASER)

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

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

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

DESCRIPTION OF SERVICE	PRICE (VAT INCL)	COMPLETION DATE	PREF POINTS CLAIMED FOR HDIs	PREF POINTS CLAIMED FOR RDP GOALS

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

SIGNED AT …… ON ……..

NAME (PRINT) ……..

SIGNATURE ……

OFFICIAL STAMP

WITNESSES

1 ……

2

DECLARATION OF TENDERER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

1 This Municipal Tendering Document must form part of all Tenders invited.

2 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.

3 The Tender of any tenderer may be rejected if that tenderer, or any of its directors have:

a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
b. been convicted for fraud or corruption during the past five years;
c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).

4 In order to give effect to the above, the following questionnaire must be completed and submitted with the Tender.

Item	Question	Yes	No
4.1	Is the tenderer or any of its directors listed on the National Treasury's database as a company or person prohibited from doing business with the public sector? (Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the *audi alteram partem* rule was applied).	Yes ☐	No ☐
4.1.1	If so, furnish particulars:		
4.2	**Is the tenderer or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?** (To access this Register enter the National Treasury's website, www.treasury.gov.za, click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 3265445).	Yes ☐	No ☐
4.2.1	If so, furnish particulars:		

4.3	Was the tenderer or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes ☐	No ☐
4.3.1	If so, furnish particulars:		

Item	Question	Yes	No
4.4	**Does the tenderer or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?**	Yes ☐	No ☐
4.4.1	If so, furnish particulars:		

4.5	Was any contract between the tenderer and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes ☐	No ☐
4.7.1	If so, furnish particulars:		

CERTIFICATION

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

CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS TRUE AND CORRECT.

I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.. …….. ……..

Signature Date

.. …….. ……..

Position **Name of Bidder**

MBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

1 This Municipal Bidding Document (MBD) must form part of all bids[3] invited.

2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).[2] Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.

3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:

a. take all reasonable steps to prevent such abuse;

b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and

c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.

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

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

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

_____

(Bid Number and Description)

in response to the invitation for the bid made by:

_____

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of:_____that:

(Name of Bidder)

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

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

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

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

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium[3] will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:

(a) prices;

(b) geographical area where product or service will be rendered (market allocation)

(c) methods, factors or formulas used to calculate prices;

(d) the intention or decision to submit or not to submit, a bid;

(e) the submission of a bid which does not meet the specifications and conditions of the bid; or

(f) bidding with the intention not to win the bid.

8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be

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

……	……
Signature	Date
…….	……
Position	Name of Bidder

GENERAL CONDITIONS OF CONTRACT (GCC)

TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
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11. Insurance
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13. Incidental services
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17. Prices
18. Contract amendments
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21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Dumping and countervailing duties
25. Force Majeure
26. Termination for insolvency
27. Settlement of disputes

28. Limitation of liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties

1. Definitions

1. The following terms shall be interpreted as indicated:

1.1 **"Acceptable bid"** means any bid, which, in all respects, complies with the specifications and conditions of the bid as set out in the bid document.

1.2 **"Bid"** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of State for the provision of goods, works or services.

1.3 **"Black enterprise"** means an enterprise that is 50,1% owned by black persons and where there is substantial management control. Ownership refers to economic interest while management refers to the membership of any board or similar governing body of the enterprise.

1.4 **"Black empowered enterprise"** means an enterprise that is at least 25,1% owned by black persons and where there is substantial management control. Ownership refers to economic interests. Management refers to executive directors. This is whether the black enterprise has control or not.

1.5 **"Black people"** includes all African, Coloured or Indian persons who are South African citizens by birth or by descent or who were naturalised prior to the commencement of the constitution in 1993. In addition, the term also includes black people who became South African citizens after the constitution's commencement but who would have been able to be naturalised prior to this, were it not for the Apartheid laws which prohibited naturalisation of certain persons. This means that an African, Coloured or Indian person who was not a South African citizen before the commencement of the constitution in 1993 but who would have been entitled to apply to be naturalised prior to 1993, will also be considered a black person and therefore a beneficiary of BEE.

1.6 **"Black woman-owned enterprise"** means an enterprise with at least 25,1% representation of black women within the black equity and management portion.

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

1.8 **"Comparative price"** means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration.

1.9 **"Community or broad-based enterprise"** means an enterprise that has an empowerment shareholder who represents a broad base of members such as a local community or where the benefits support a target group, for example black women, people living with disabilities, the youth and workers. Shares are held via direct equity, non-profit organisations and trusts.

Benefits from the shareholding should in a measurable sense be directed towards the uplifting of the community through job creation, welfare, skills development, entrepreneurship and human rights. At the same time, directors and management of groups should significantly comprise black persons.

These arrangements are appropriate in situations where the activities or operations of an enterprise or industry directly impact on a community or are located in a community, or may benefit a community. Notable examples are large industrial projects, mining and tourism. Other instances, which do assist in broadening the shareholder base, are employee share ownership schemes; these are a viable empowerment shareholder option. In this and other circumstances, these arrangements should not detract from the ability of the shareholder to exercise significant influence or control over the operations of the business.

1.10 **"Consortium or joint venture"** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract.

1.11 **"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.

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

1.13 **"Control"** means the possession and exercise of legal authority and power to manage the assets, goodwill and daily operations of a business and the active and continuous exercise of appropriate managerial authority and power in determining the policies and directing the operations of the business.

1.14 **"Co-operative or collective enterprise"** is an autonomous association of persons who voluntarily join together to meet their economic, social and cultural needs and aspirations through the formation of a jointly-owned enterprise and democratically controlled enterprise.

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

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

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

1.18 **“Day”** means calendar day.

1.19 **“Delivery”** means delivery in compliance with the conditions of the contract or order.

1.20 **“Delivery ex stock”** means immediate delivery directly from stock actually on hand.

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

1.22 **“Disability”** means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being.

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

1.24 **“Equity Ownership”** means the percentage ownership and control, exercised by individuals within an enterprise.

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

1.26 **“Fraudulent practice”** means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder

of the benefits of free and open competition.

1.27 **"GCC"** means the General Conditions of Contract.

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

1.29 **"Historically Disadvantaged Individual (HDI)"** means a South African citizen -

1.29.1 who, due to the Apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act 110 of 1983) or the Constitution of the Republic of South Africa, 1993, (Act 200 of 1993) ("the interim Constitution); and/or

1.29.2 who is a female; and/or

1.29.3 who has a disability:

provided that a person who obtained South African citizenship on or after the coming to effect of the Interim Constitution, is deemed not to be a HDI.

1.30 **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.

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

1.32 **"Management"** means an activity inclusive of control and performed on a daily basis, by any person who is a principal executive officer of the company, by whatever name that person may be designated, and whether or not that person is a director.

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

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

1.35 **"Owned"** means having all the customary elements of ownership, including the right of decision-making and sharing all the risks and profits commensurate with the degree of ownership interests as demonstrated by an examination of the substance, rather than the form of ownership arrangements.

1.36 **"Parliament"** means Parliament of the Republic of South Africa as set out in Chapter Four of the Constitution.

1.37 **"Person"** includes reference to a juristic person.

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

1.39 **"Purchaser"** means the organization purchasing the goods.

1.40 **"Rand value"** means the total estimated value of a contract in Rand denomination that is calculated at the time of the bid invitations, and includes all applicable taxes and excise duties.

1.41 **"Republic"** or **"RSA"** means the Republic of South Africa.

1.42 **"RFP"** means Request for Proposal.

1.43 **"RFT"** means Request for Tender.

1.44 **"RFQ"** means Request for Quotation.

1.45 **"SCC"** means the Special Conditions of Contract.

1.46 **"Secretary"** means the Secretary to Parliament.

1.47 **"Services"** means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.

1.48 **"Specific contract participation goals"** means the goals as stipulated in the Preferential Procurement Regulations, 2001. In addition to above-mentioned goals, the Regulations [12. (1)] also make provision for organs of State to give particular consideration to procuring locally manufactured products.

1.49 **"Small, Medium and Micro Enterprises (SMMEs)** bears the same meaning assigned to this expression in the National Small Business Act, 1996 (Act 102 of 1996).

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

1.51 **"Trust"** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person.

1.52 **"Trustee"** means any person, including the founder of a trust, to whom

property is bequeathed in order for such property to be administered for the benefit of another person.

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

2. Application

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

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

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

3. General

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

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 as 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

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 Parliament or an organisation acting on behalf of Parliament.

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

8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show

the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

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

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

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

substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

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

9. Packing

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

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

10. Delivery and documents

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

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

(a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;

(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;

(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

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

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

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

14. Spare parts

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

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

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

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

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

15. Warranty

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

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

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

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

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment

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

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

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

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

17. Prices

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

18. Contract amendments

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

19. Assignment

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

20. Subcontracts

20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this 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 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.

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

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

21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of

penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

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

22. Penalties

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

23. Termination for default

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

24.1 When, after the date of bid, provisional payments are required, or antidumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer

required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

25. Force Majeure

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

25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations

under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for insolvency

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

27. Settlement of Disputes

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

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

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

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

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

(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and

(b) the purchaser shall pay the supplier any monies due the supplier.

28. Limitation of liability

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

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

(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price,

provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

29. Governing language

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

30. Applicable law

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

31. Notices

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

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

32. Taxes and duties

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

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

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

33. Ownership and Copyright

33.1.1 Ownership of all products produced in terms of this agreement, of whatever nature, vest in Parliament.

33.1.2 The copyright of products, of whatever nature, commissioned and produced in terms of this agreement, and that have been paid for by the Secretary are owned exclusively by Parliament.

DECLARATION

I, THE UNDERSIGNED (NAME)……

CERTIFY THAT THE I HAVE READ AND UNDERSTAND THE INFORMATION ABOVE. I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION PROVE TO BE FALSE.

…….. …….

Position Signature

…… ……

Name of bidder Date