



## BID INVITATION DOCUMENT (SBD1)

<b>THE MICT SETA INVITES BIDS FOR THE FOLLOWING PROCUREMENT REQUIREMENTS</b>			
<b>BID REFERENCE NUMBER:</b>	MICT-SETA/IAS/2017	<b>CLOSING DATE &amp; TIME</b>	06 JULY 2017 AT 11:00AM
<b>BID DESCRIPTION</b>			
<b>APPOINTMENT OF SUITABLE SERVICE PROVIDER TO PROVIDE INTERNAL AUDIT SERVICES TO THE MICT SETA FOR A PERIOD OF THREE (3) YEARS FROM 01 NOVEMBER 2017 TO 31 OCTOBER 2020</b>			
Bidders must sign the signature page of the Bid Invitation (SBD1) validating all documents included in the response to this invitation.			
The successful bidder will receive a letter of award followed by the signing of a <b>Formal Written Contract</b> between the MICT SETA and the awarded bidder.			
Validity period from date of closure:		<b>120 days</b>	
This bid invitation is subject to the Preferential Procurement Policy Framework Act and its Regulations of 2017, includes the National Treasury General Conditions of Contract available on the National Treasury website and any other Special Conditions of Contract			
Preferential Procurement System applicable for this procurement in terms of PPPFA Regulations 2017:		<b>80:20</b>	
<b>Compulsory Briefing Session and Contact Person(s)</b>	<b>Date</b>		
	<b>Location</b>	<b>MICT SETA offices, 19 Richards Drive, Gallagher Convention Centre, Gallagher House, West Wing, Level 3</b>	
	<b>Contact Person</b>	<b>SINDI HLANZE</b>	

**Bid Submissions are to be deposited in the MICT SETA Tender Box situated in the Reception Area:**

**Physical Address:**

MICT SETA Head Office  
19 Richards Drive  
Gallagher Convention Centre  
Gallagher House  
Level 3 West Wing

**Envelopes to be addressed as follows:**

Bid Reference Number:  
Bidder's Name:  
Contact Number:  
Email:  
Postal Address:

Bidders are cautioned to deliver bid responses to the correct address before the closing date and time and to sign the bid register at reception on submission. No late bids will be considered. The tender box is open from 08:00 until 16:30 weekdays.

Bidders must submit their bid responses on the official bid invitation document (not to be re-typed) with additional information provided and attached as supporting schedules.

This bid invitation is subject to compliance documents checklist which will serve as mandatory requirement to qualify for phase two evaluation.

Failure to submit mandatory documents listed on the checklist will result in disqualification from the technical evaluation phase.

**Failure to attend the compulsory briefing session will result in automatic disqualification from the bidding process.**

**REGISTRATION OF SERVICE PROVIDERS ON THE CENTRAL SUPPLIER DATABASE (CSD)**

Bidders must register on the National Treasury Central Supplier Database (CSD) in order to do business with state institutions. Only registered service provider(s) who provide proof of registration on the CSD by attaching the CSD report with the allocated "**MAAAxxxxx**" number will be awarded if found to be tax compliant and successful in the evaluation stage.

Service providers must visit [www.csd.gov.za](http://www.csd.gov.za) to register or contact the National Treasury on **012 406 9222** or email [csd.support@treasury.gov.za](mailto:csd.support@treasury.gov.za) for assistance.

**NUMBER OF BIDDING DOCUMENTS:  
FOUR (4) HARD COPIES CLEARLY MARKED**

ONE (1) ORIGINAL

THREE (3) COPIES

Documents must be indexed for ease of reference and all pages sequentially numbered. The Proposal and the Pricing Schedule should be presented in separate envelopes.

The Technical Proposal will be evaluated as stage 2 of the evaluation process to determine bidder's capability, ability and eligibility for further evaluation on Price and B-BBEE which is Stage 3 of the evaluation. Only bidders who meet the minimum qualification threshold on the technical aspects will qualify for stage 2 evaluation

**ANY ENQUIRIES RELATING TO THIS BID MUST BE DIRECTED TO**

**For Technical Enquiries:**

Contact: Ms Naledi Sibandze  
Designation: Senior Manager Corporate Services  
Tel: 011 207 2601  
Email: [naledi.sibandze@mict.org.za](mailto:naledi.sibandze@mict.org.za)

**For Bidding Enquiries**

Contact: Ms Sindi Hlanze  
Designation: SCM Manager  
Tel: 011 207 2620  
Email: [sindi.hlanze@mict.org.za](mailto:sindi.hlanze@mict.org.za)

**BIDDING PROCESS**

The Evaluation Process will take place in three stages:

**STAGE1 – COMPLIANCE DOCUMENTS CHECKLIST RETURNABLE DOCUMENTS**

The Returnable Documents will form part of the mandatory requirements which will be checked against the checklist for compliance documents. Failure to provide the required documents will result in disqualification of bidder(s) from further evaluation on stage 2.

**STAGE 2 – TECHNICAL/FUNCTIONAL EVALUATION**

The compliant bidders' proposals will be evaluated against the published specifications evaluation criteria, according to the weights and scores indicated against each element

Should a need be justified, shortlisted bidders may be requested to do presentations, clarify or provide additional information before conclusion of the evaluation.

**STAGE 3 – PREFERENCE EVALUATION (PRICE AND B-BBEE)**

Bidders' pricing proposals will be compared on a fair and equal basis taking into account all aspects of the bid's requirements. The bidders B-BBEE scores will be added to the Price scores and ranked as follows:

**Price** - with the lowest acceptable priced Bid on an equal and fair comparison basis receiving the highest score as set out in the Preferential Procurement Policy Regulations 2017;

**Preference** - preference points as claimed in the preference claim form (SBD6.1) according to B-BBEE status level of contribution as stated in the B-BBEE Certificate or Sworn Affidavit;

The Price and B-BBEE scores will be combined to determine the successful bidder who scores the highest points.

The contract will be awarded to the highest scoring bidder subject to the bidder having supplied the relevant administrative and compliance documentation.

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## CONDITIONS OF BIDDING

1. Any amendments to the bid conditions or setting of counter conditions by the bidder will invalidate the bid submission. Additional information the bidder may deem necessary to be furnished may be done so as a separate annexure.
2. The MICT SETA will not be held liable for the costs of preparation of the bid proposal incurred by the bidder in responding to this bid invitation.
3. The MICT SETA reserves the right to withdraw or cancel the bid invitation prior to award by the delegated authority.
4. This procurement is subject to firm prices in terms of Paragraph 17 of the General Conditions of Contract. "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"
5. Where items are specified in detail, the specifications form an integral part of the bid document and bidders shall indicate in the space provided whether the items offered are to specification or not.
6. In respect of the paragraphs where the items offered are strictly to specification, bidders shall insert the words "as specified".
7. In cases where the items are not to specification, the deviations from the specifications shall be indicated.
8. With the exception of basic prices, where required, all prices shall be quoted in South African currency.
9. Any effort by Bidder(s) to influence evaluation, comparisons, or award decisions in any manner will result in the disqualification of the bidder concerned
10. As part of the evaluation process, the MICT SETA may conduct enquiries/investigations to determine the accuracy of representations made by bidders in the bid documents.
11. All information contained in this bid document is solely for the purpose of assisting bidders to compile responses/proposals for this bid. Any use of this information other than the intended purpose stated in this document is prohibited by the MICT SETA.
12. No emailed or faxed bids will be accepted.
13. Copyright of all documentation relating to this assignment belongs to MICT SETA. The successful bidder may not disclose any information, documentation or products to other client without the written approval of MICT SETA.
14. In the event that the Company would like to use any information or data generated in terms of the services, the prior written permission must be obtained from MICT SETA.

## STAGE 1 – RETURNABLE DOCUMENTS CHECKLIST

1	Completed and signed Bid Invitation (SBD1), Pricing Schedule (SBD 3.1), Preference Points Claim Form (SBD 6.1), Declaration of Interest (SBD 4), Declaration of Bidder's Past Supply Chain Practices (SBD 8), Certificate of Independent Bid Determination (SBD 9) and General Conditions of Contract (GCC)	Yes	No
2	Proof of Registration on National Treasury Central Supplier Database attached with compliant tax status verification	Yes	No
3	Certified Copy of B-BBEE Certificate or Sworn Affidavit for companies qualifying as EMEs or QSEs	Yes	No
4	Audited Financial Statements for the last three years	Yes	No
5	Certified copy of company registration documents	Yes	No
6	List of company owners/shareholders/directors and certified ID copies	Yes	No
7	CVs of team and certified copies of qualifications	Yes	No
8	Pricing Schedules	Yes	No
9	Technical Proposal detailing how specifications will be met	Yes	No
10	Certified copies of qualifications of members of audit team. Internal Audit Manager and/or Director must be Certified Internal Auditor (CIA) by the IIA SA. Provide proof.	Yes	No

## STAGE 2 – FUNCTIONAL EVALUATION METHODOLOGY

	EVALUATION CRITERIA	0 = less than	3 = meets minimum requirements	5 = Meets all requirements	WEIGHT
1	<p>Experience of firm and team members to be deployed to MICT SETA.</p> <p>a. Company experience must be 10 years minimum</p> <p>b. Internal Audit Director/Partner experience over 8 years and certified CIA/CA and lead team member/manager over 5 years. All team members</p>	Project team has minimum experience	Project Team has requisite experience	Project Team has adequate to outstanding experience	40

	<p>must possess relevant qualification Degree, Advanced Diploma. Junior Auditor must have at least 1 year experience accompanied by relevant Degree and must be studying towards Professional certification</p> <p><b>Attach CVs of team members and proof of qualifications</b></p>				
2	<p>Reference letters from at least three (3) clients of similar assignments detailing:</p> <ul style="list-style-type: none"> <li>a. Expertise of team</li> <li>b. Meeting deadlines within allocated budget</li> </ul>	Experience not in public sector	Relevant experience in public sector	Extensive Experience in public and private sector	20
3	<p><b>Project Methodology and Approach</b></p>	Project methodology not meeting requirements	Project Methodology and approach address requirements to the minimum	Project methodology and approach exceeds expectation	40

THE BIDDER'S PARTICULARS				
NAME OF SERVICE PROVIDER				
REPRESENTED BY				
POSTAL ADDRESS				
PHYSICAL ADDRESS				
TELEPHONE NUMBER	CODE		NUMBER	
CELL PHONE NUMBER	CODE		NUMBER	
EMAIL ADDRESS				
VAT REGISTRATION NUMBER				
COMPANY REGISTRATION NUMBER				
TOTAL NUMBER OF YEARS IN BUSINESS				
DESCRIBE PRINCIPAL BUSINESS ACTIVITIES:				
TYPE OF COMPANY/FIRM [Tick applicable box]				
Partnership/Joint Venture/Consortium	<input type="checkbox"/>	One person business/sole proprietor	<input type="checkbox"/>	
Close Corporation	<input type="checkbox"/>	Company	<input type="checkbox"/>	
(Pty) Limited	<input type="checkbox"/>	Other	<input type="checkbox"/>	
COMPANY CLASSIFICATION [Tick applicable box]				
Manufacturer	<input type="checkbox"/>	Supplier	<input type="checkbox"/>	
Professional Service Provider	<input type="checkbox"/>	Other service providers e.g. transporter, etc.	<input type="checkbox"/>	
TAX COMPLIANCE STATUS [Tick applicable box]				
Compliant Tax Status verified on CSD			YES	NO
PREFERENCE POINTS CLAIMED [Tick applicable box]				
Has a Preference Claim form (SBD6.1) claiming your Preference Points been submitted (a B-BBEE status level verification certificate must support preference points claimed)			YES	NO
If Yes, who was the B-BBEE certificate issued by: [Tick applicable box]				
A verification agency accredited by the South African Accreditation System (SANAS)				<input type="checkbox"/>
A Sworn Affidavit for EME or QSE confirming turnover and black ownership certified by registered Commissioner of Oaths				<input type="checkbox"/>
Other (please specify).....				
ACCREDITED REPRESENTATIVE [Tick applicable box]				
Accredited representative in South Africa for the goods/services/works offered. If yes, please enclose proof.			YES	NO
LEGAL IDENTITY PROOF [Tick applicable box]				
Certified copies of Certificate of Incorporation (as per entity type) are enclosed			YES	NO



**SBD 3.1 PRICING SHEDULE – FIRM PRICES (PURCHASES)**

NOTE:

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

IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT

**NAME OF BIDDER:**.....**BID NUMBER: MICT/IAS/2017**

**CLOSING DATE: 06 JULY 2017**

**CLOSING TIME: 11:00 AM**

OFFER VALID FOR 120 DAYS FROM DAY OF BID CLOSURE

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY **All applicable taxes included
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.....	.....	.....	.....
-------	-------	-------	-------

Required by: .....

At: .....

Brand and model: .....

Country of origin: .....

Does the offer comply with specification(s): .....

If not to specification, indicate deviation(s): .....

Period required for delivery: .....

\*\* Delivery: Firm / Not firm

Delivery basis: .....

Note: All delivery costs must be added in the bid price, for delivery at the prescribed destination

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

**\*Delete if not applicable**

## SBD4 – DECLARATION OF INTEREST

Any legal person, including persons employed by the State<sup>1</sup>, or persons having a kinship with persons employed by the State, including a blood relationship, may make an offer or offers in terms of this invitation to Bid (includes an advertised competitive Bid, a limited Bid, a proposal or written price quotation). In view of possible allegations of favouritism, should the resulting Bid, or part thereof, be awarded to persons employed by the State, or to persons connected with or related to them, it is required that the Bidder or his/her authorised representative, declare his/her position in relation to the evaluating/adjudicating authority where:

- The Bidder is employed by the State; and/or
- The legal person on whose behalf the Bidding Document is signed, has a relationship with persons/s person who is/are involved in the evaluation and or adjudication of the Bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and/or adjudication of the Bid.

**In order to give effect to the above, the following questionnaire must be completed and submitted with this Bid:**

- Full Name of Bidder or his/her representative.
- Identity Number.
- Position occupied in the Company (director, trustee, shareholder<sup>2</sup>, member).
- Registration number of company, enterprise, close corporation, partnership agreement or trust.
- Tax Reference Number.
- VAT Registration Number.
- The names of all directors/trustees/shareholders/members, their individual identity numbers, tax reference numbers and, if applicable, employee/PERSAL numbers must be indicated in a separate schedule including the following questions.

Schedule attached with the above details for all directors/member/shareholders

YES	NO
-----	----

- Are you or any person connected with the Bidder presently employed by the state? If so, furnish the following particulars in an attached schedule:

YES	NO
-----	----

- Name of person/director/trustee/shareholder/member.....
- Name of state institution at which you or the person connected to the Bidder is employed. ....

- Position occupied in the state institution. ....
- Any other particulars. ....

- If you are presently employed by the State, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector?

If **Yes**, did you attach proof of such authority to the Bid document?

If **No**, furnish reasons for non-submission of such proof as an attached schedule

(**Note:** Failure to submit proof of such authority, where applicable, may result in the disqualification of the Bid.)

YES	NO
-----	----

- Did you or your spouse or any of the company's directors/ trustees /shareholders /members or their spouses conduct business with the State in the previous twelve months?

If so, furnish particulars as an attached schedule.

YES	NO
-----	----

- Do you, or any person connected with the Bidder, have any relationship (family, friend, other) with a person employed by the State and who may be involved with the evaluation and or adjudication of this Bid?

If so, furnish particulars as an attached schedule.

YES	NO
-----	----

- Are you, or any person connected with the Bidder, aware of any relationship (family, friend, other) between any other Bidder and any person employed by the State who may be involved with the evaluation and or adjudication of this Bid?

If so, furnish particulars as an attached schedule.

YES	NO
-----	----

- Do you or any of the directors/ trustees/ shareholders/ members of the company have any interest in any other related companies whether or not they are bidding for this contract?

If so, furnish particulars as an attached schedule.

YES	NO
-----	----

**Full details of directors / trustees / members / shareholders**

<b>Full Name</b>	<b>Identity Number</b>	<b>Personal Income Tax Reference Number</b>	<b>State Employee Number / Pearsal Number</b>

**DECLARATION**

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

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT.

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

.....

.....

Signature

Date

.....

.....

Position

Name of bidder

## SBD 6.1 – PREFERENCE POINTS CLAIM FORM

**NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017**

### 1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids:

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

1.2

- a) The value of this bid is estimated not to exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable; or
- b) The 80/20 preference point system will be applicable to this tender.

1.3 Points for this bid shall be awarded for:

- a) Price; and
- b) B-BBEE Status Level of Contributor.

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

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
Total points for price and B-BBEE must not exceed	100

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status Level of Contributor together with the bid will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

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

### 2. POINTS AWARDED FOR PRICE

#### THE 80/20 OR 90/10 PREFERENCE POINT SYSTEM

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

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

Where:

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

Pmin = Price of lowest acceptable bid

### 3. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

3.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table set out below:

B-BBEE Status Level of Contributor	Number of Points (90/10 System)	Number of Points (80/20 System)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

3.2 Bidders who qualify as EMEs or QSEs in terms of the B-BBEE Act must submit a certificate issued by a Verification Agency accredited by SANAS or sworn affidavit certified by Commissioner of Oaths.

3.3 Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Verification Agency accredited by SANAS.

3.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate issued by a SANAS accredited Verification Agency.

3.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.

3.6 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.

3.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub- contractor is an EME that has the capability and ability

to execute the sub-contract.

- 4 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

**5 BID DECLARATION**

5.2 Bidders who claim in respect of B-BBEE Status Level of Contribution must complete the following:

**6 B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPH 1.4 AND 3.1**

6.2 B-BEE Status Level Contributor: \_\_\_\_\_ = \_\_\_\_\_(maximum of 20 points)

(Points claimed in respect of paragraph 6.1 must be in accordance with the table reflected in paragraph 3.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

**7 SUB-CONTRACTING**

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

*(Tick applicable box)*

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

7.2.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted .....%
- ii) The name of the sub-contractor .....
- iii) The B-BBEE status level of the sub-contractor.....
- iv) Whether the sub-contractor is an EME or QSE

*(Tick applicable box)*

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

- v) Specify, by ticking the appropriate box, if sub-contracting with an enterprise in terms of Preferential Procurement Regulations, 2017

Designated Group: An EME or QSE which is at least owned by:	EME √	QSE √
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		

Black people who are military veterans		
<b>OR</b>		
Any EME		
Any QSE		

**8 DECLARATION WITH REGARD TO COMPANY/FIRM**

8.2 Name of Company/Firm:.....

8.3 VAT registration number:.....

8.4 Company registration number:.....

**8.5 TYPE OF COMPANY/FIRM**

- Partnership/Joint Venture/Consortium
- One person business/sole propriety
- Close corporation
- Company
- (PTY) Limited  
[Tick applicable box]

**8.6 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES**

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

**8.7 COMPANY CLASSIFICATION**

- Manufacturer
- Supplier
- Professional Service Provider
- Other service providers, e.g. transporter, etc.  
[Tick applicable box]

8.8 Total number of years the company/firm has been in business:.....

8.9 I / we, the undersigned, who is/are duly authorised to so on behalf of the company / firm, certify that the points claimed, based on the B-BBEE status level of contributor indicated in paragraph 1.4 and 5.1 of the foregoing certificate, qualifies the company / firm for the preference(s) shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form (SBD6.1);
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 5.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the



claims are correct;

- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
- a) disqualify the person from the bidding process;
  - b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - d) recommend that the bidder or contractor, its shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
  - e) forward the matter for criminal prosecution.

WITNESSES

1.....

2.....

.....  
SIGNATURE(S) OF BIDDER(S)

Date: .....

Address: .....

.....

.....

**SBD – 8 DECLARATION OF BIDDER’S PAST SCM PRACTICES**

- Is the Bidder or any of its directors listed on the National Treasury’s Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?

If Yes, furnish particulars as an attached schedule.

<b>YES</b>	<b>NO</b>
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- Is the Bidder or any of its directors listed on the Register for Tender Defaulters in terms of Section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?

If Yes, furnish particulars as an attached schedule.

<b>YES</b>	<b>NO</b>
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- Was the Bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?

If Yes, furnish particulars as an attached schedule.

<b>YES</b>	<b>NO</b>
------------	-----------

- Was any contract between the Bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?

If Yes, furnish particulars as an attached schedule.

<b>YES</b>	<b>NO</b>
------------	-----------

The Database of Restricted Suppliers and Register for Tender Defaulters resides on the National Treasury’s website ([www.treasury.gov.za](http://www.treasury.gov.za)) and can be accessed by clicking on its link at the bottom of the home page.

## SBD – 9 CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting this Bid in response to the invitation for the Bid made by the MICT SETA, do hereby make the following statements that I certify to be true and complete in every respect:

- I have read and I understand the contents of this Certificate;

YES	NO
-----	----

- I understand that the Bid will be disqualified if this Certificate is found not to be true and complete in every respect;

YES	NO
-----	----

- I am authorised by the Bidder to sign this Certificate, and to submit the Bid, on behalf of the Bidder;

YES	NO
-----	----

- Each person whose signature appears on the Bid has been authorised by the Bidder to determine the terms of, and to sign, the Bid on behalf of the Bidder;

YES	NO
-----	----

For the purposes of this Certificate and the accompanying Bid, I understand that the word “competitor” shall include any individual or organisation, 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

The Bidder has arrived at the accompanying Bid independently from, and without consultation, communication, agreement or arrangement with any competitor.

However communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.

In particular, without limiting the generality of paragraphs 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.

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.

The terms of this 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.

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 <sup>3</sup>Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

.....

Signature

.....

Date

.....

Position

.....

Name of Bidder



**mictseta**

Media, Information and Communication Technologies  
Sector Education and Training Authority

Accelerating quality skills towards an information savvy society

## TERMS OF REFERENCE

FOR

PROVISION OF INTERNAL AUDIT SERVICES TO  
MICT SETA FOR A PERIOD OF THREE (3) YEARS  
FROM 01 NOVEMBER 2017 TO 30 OCTOBER 2020

**CONFIDENTIAL**

09 JUNE 2017

## 1. BACKGROUND

MICT SETA, one of the Sector Education and Training Authorities (SETA's), was established in March 2000 to transform the skills profile of the Media, Information and Communications Technology (MICT) sector. It operates within the context of the National Skills Development Strategy to raise the levels, quality and relevance of the education and training in the sector and encourages partnerships between the public and private organisations to benefit employers, employees and the unemployed.

The MICT SETA's operations are geographically dispersed with the Head Office in Midrand and three (3) branch offices spread countrywide. Its stakeholders are geographically spread throughout the country.

In order to most effectively serve the Media, Information and Communications Technology industry, and to cope with the volume of requirements, the MICT SETA requires effective Information Management (IM) processes and systems. IM services and access are provided to MICT SETA personnel at its Head Office and regional offices. Stakeholders have internet access to the MICT SETA's information via its website and limited, controlled access to some of its systems' functionality that is exposed to the web.

## 2. ORGANISATIONAL STATUS OF INTERNAL AUDIT SERVICES

**2.1** The MICT SETA currently operates on fully outsourced services for internal Audit Function. Section 51(1)(a)(ii) and 76(4)(b) of the PFMA require the Accounting Authority for a public entity to establish and maintain a system of internal audit under the control and direction of an Audit Committee who provide an oversight role complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77. The establishment of the internal auditing activity will provide an independent, objective assurance and consulting activity designed to add value and improve the MICT SETA's operations. It should assist the MICT SETA to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The internal audit must be conducted in accordance with the standards set by the South African (SA) Institute of Internal Auditors.

## 3. OBJECTIVES

The primary objectives of the internal audit function is to:

**3.1 Assist the MICT SETA as a whole to effectively discharge its responsibilities in the following areas:**

- Ensure compliant Information Management Systems environment;
- Ensure reliability and integrity of financial and operational information for effective decision making;
- Ensure compliance with relevant legislative prescripts, policies, regulations and

instructions;

- Safeguarding of the MICT SETA assets;
- Ensure economic and efficient use of resources;
- Strengthen internal control processes by evaluating existing controls in terms of adequacy and effectiveness and developing recommendations;
- Ensure effective Risk Management Processes by identifying and evaluation significant exposures to risk and develop risk management improvement plan; and
- Review governance processes to ensure consistency with the MICT SETA values

#### **4. SCOPE OF SERVICE AND REQUIREMENTS**

The responsibility of the internal audit function as defined in the Internal Audit Charter must be consistent with the definition of internal auditing provided by the Institute of Internal Auditors (IAA). The internal auditors will evaluate controls, review risk management and governance processes to determine their effectiveness and efficiency and developing recommendations for enhancement or improvement. The internal audit function must be independent of the external audit activity.

The successful bidder shall be responsible for:

- Drafting three year rolling plans for approval by the Audit and Risk Committee;
- Compilation of plans indicating the scope of each audit in the internal audit plan;
- Preparation of performance reports for presentation to the Audit and Risk Committee
- Performing risk-based audit assignments as per the standards and guidelines set out by the SA Institute of Internal Auditors;
- Carry out the annual audit plans and reporting results of audits to management;
- Evaluating the effectiveness of risk management and corporate governance systems against best practice, international standards, PFMA and National Treasury Internal Audit Framework, and provide counsel and guidance to management;
- Liaison with the Auditor General of South Africa and ensuring alignment with external audit functions, processes and best practice;
- Reviewing operations or programmes to ascertain whether or not results are consistent with set objectives and that plans are carried out according to plans;
- Appraising the economic, effective and efficient management of the MICT SETA assets (human, financial and other resources) and ensuring that methods of safeguarding them are in place;
- Conduct IT Audits, forensic audit, control self-assessment (CSA) and quality assurance reviews;
- Perform organisational risk assessment and annual reviews;
- Reviewing systems to ensure compliance with policies, procedures, plans, legislations and regulations that could impact negatively on operations and determining the extent of compliance;
- Performing ad hoc tasks and other consulting work when necessary.

## 5. OUTPUTS

- a) The appointed service provider will be required to execute the three (3) year operational plan for 2017/18, 2018/19 and 2019/2020
- b) Update the strategic internal audit three-year rolling plan for 2018/2019 – 2020/2021 based on the assessment of its key areas of risk with regard to the SETA's current operations, those proposed in its strategic plan and the risk management policy.
- c) Prepare internal audit plan reports per audit cycle.
- d) Prepare quarterly reports detailing performance against the approved internal audit plan for submission to Audit and Risk Committee.
- e) Attend management meeting when necessary.

## 6. OUTCOMES AND DELIVERABLES

- a) Evaluated economic, effective and efficient controls
- b) Evaluated Information Technology systems
- c) Compliance to the relevant legislations, regulations and policies
- d) Safeguarded assets and other resources
- e) Reliable and prudent financial and operational information

## 7. COMPETENCY REQUIREMENTS

- a) The successful service provider must consist of certified audit professionals, e.g. CIA, CA, CISA
- b) Be conversant with best practices of the profession
- c) Be competent in the professional practice of internal auditing
- d) Provide CVs of project team detailing experience, qualifications, affiliations with professional bodies, references for previous internal audit activities

## EVALUATION METHODOLOGY

Evaluation of proposals will be conducted on a three (3) stage process:

### Stage 1 – Compliance Documents and Returnable Documents

Submission of the compliance and returnable documents will serve as the pre-qualification phase of the evaluation. Failure to return the listed documents below will result in disqualification.

<b>1</b>	Company Profile
<b>2</b>	Reference Letters from at least three (3) previous or current clients for similar work in the public sector with specific reference to the following areas: <ul style="list-style-type: none"> <li>• Internal Audit</li> <li>• Risk Management</li> <li>• Information and Technology Audit</li> </ul>
<b>3</b>	Completed and signed SBDs and GCC



4	Company Registration Documents and certified IDs of shareholders/directors/owners
5	Original or Certified B-BBEE Certificate or Certified Sworn Affidavit for EME/QSE
6	Proof of registration on CSD with verified tax compliance status
7	Pricing Schedule
8	Proposal detailing how specifications will be met
9	Audited Financial Statements for the last three years
10	Certified copies of qualifications of members of audit team. Internal Audit Manager/Director must be Certified Internal Auditor (CIA) by the IIA SA. Provide proof.

### Stage 2 – Functional Evaluation Criteria

An assessment of **Functionality** will be based on the evaluation criteria noted in the table below. Each of the evaluation criterion in the table will carry a weighting as indicated, and bidders will be required to score a minimum of 80 points (out of the 100 points), i.e. 80%, for Functionality in order to qualify to proceed to Stage 3.

**Each element will be scored between 0 – 5; 0 = does not qualify, 3 = meets minimum requirements, and 5 = meets all or exceeds specification requirement**

Functionality Evaluation Criteria		Weight	Score
1	Experience of firm and team members to be deployed to MICT SETA. <ul style="list-style-type: none"> <li>Company experience over 10 years</li> <li>Internal audit Director experience over 8 years and certified CIA/CA and lead team member over 5 years.</li> <li>All team members must have relevant qualifications (Degree, Advanced Diploma, BTech Degree) and at least 1 year experience</li> </ul> <b>Attach CVs of team members</b>	40	
2	Reference letters from at least three (3) clients of similar assignments detailing: <ul style="list-style-type: none"> <li>Expertise of team</li> <li>Meeting deadlines within allocated budget</li> </ul>	20	
3	<b>Methodology and Approach detailing plan and strategies</b>	40	
	<b>Total</b>	<b>100</b>	
	<b>Qualification Threshold</b>	<b>80</b>	

**STAGE 3 – PRICE AND B-BBEE**

Bidders who meet the qualification threshold on technical functionality of 80 points will qualify for further evaluation on Price and B-BBEE according to the 80/20 preference point system in terms of the PPPFA Regulations 2017, where 80 points will be for **Price** and 20 points will be for **B-BBEE status level of contribution**.

For qualifying bidders, the points scored in respect of B-BBEE status level contributor will be added to the points scored for price to determine the highest scoring bidder.

The following formula will be used to calculate the points for **Price**:

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

**Where**

- Ps = Points scored for comparative price of bid or offer under consideration.
- Pt = Comparative price of bid or offer under consideration.
- P min = Comparative price of lowest acceptable bid or offer

The points for scored for B-BBEE status level of contribution will be allocated in terms of the Preferential Procurement Regulations, 2017 according to the table below:

B-BBEE Status Level of contributor	Number of preference points system (80/20)
1	20
2	18
3	14
4	10
5	8
6	6
7	4
8	2
Non-compliant contributor	0

## DETAILED PRICING SCHEDULE

- The pricing schedule should be based on a minimum of 1000 hours per year for the three years of engagement purely for budgeting and comparability purposes. Any additional hours will be determined based on operational needs and to be agreed upon between the successful service provider and the MICT SETA.
- All costing must be shown inclusive of VAT and in South African Rand (R).
- Costing should include travel and all other reimbursable costs
- Applicable rates for the delivery team must be indicated according to their levels and the envisaged number of hours on the assignment:

The team must comprise of the following:

- ✓ Audit Partner or Director
- ✓ Audit Manager
- ✓ Team Leader/Audit Senior
- ✓ Audit Junior

## CONTRACTED BIDDER

### 1. Managing the Contract

- 1.1 The contracted bidder must manage the contract fairly and objectively in accordance with terms and conditions of this document.
- 1.2 The contracted bidder must appoint a contract manager who will liaise with the MICT SETA on all matters relating to the contract and inform the MICT SETA in writing, including contact details (name, telephone number, email address) of the contract manager

### 2. Communication

- 2.1 The contracted party must communicate in writing all matters relating to the contract and must not act on any requests that have not been communicated in writing from the MICT SETA.

### 3. Managing Delivery Scheduling and Milestones

- 3.1 Where work required has to take place in stages, the contracted party must communicate in writing to the MICT SETA the commencement of each stage.

## GENERAL CONDITIONS OF CONTRACT (GCC)

In this document words in the singular also mean in the plural and vice versa, words in the masculine mean in the feminine and neuter, and words such as “will/should” mean “must”.

The National Treasury’s General Conditions of Contract (GCC) should not be amended. The MICT SETA appends Special Conditions of Contract (SCC) providing specific information relevant to a GCC clause directly below the specific GCC clause and where the MICT SETA requires a SCC that is not part of the GCC, the MICT SETA appends the SCC clause after all the GCC clauses. No clause in this document shall be in conflict with another clause.

GCC1

### **1. Definitions - The following terms shall be interpreted as indicated:**

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

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

	<p>the contract.</p> <p>1.25. Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.</p>
GCC2	<p><b>2. Application</b></p>
	<p>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.</p> <p>2.2. Where applicable, special conditions of contract are also laid down to, cover specific supplies, services or works.</p> <p>2.3. Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.</p>
GCC3	<p><b>3. General</b></p>
	<p>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.</p> <p>3.2. With certain exceptions (National Treasury’s eTender website), invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from <a href="http://www.treasury.gov.za">www.treasury.gov.za</a></p>
GCC4	<p><b>4. Standards</b></p>
	<p>4.1. The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.</p>
GCC5	<p><b>5. Use of contract documents and information</b></p>
	<p>5.1. The supplier shall not, without the purchaser’s prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.</p> <p>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</p>

	<p>purposes of performing the contract.</p> <p>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.</p> <p>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</p>
GCC6	<b>6. Patent Rights</b>
	<p>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.</p>
GCC7	<b>7. Performance security</b>
	<p>7.1. Within thirty days (30) 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.</p> <p>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.</p> <p>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:</p> <p>7.3.1. 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</p> <p>7.3.2. a cashier's or certified cheque</p> <p>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.</p>
GCC7 SCC	No performance security required
GCC8	<b>8. Inspections, tests and analyses</b>

	<p>8.1. All pre-bidding testing will be for the account of the bidder.</p> <p>8.2. If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>8.7. Any contract supplies may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies, which do comply with the requirements of the contract. 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.</p> <p>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.</p>
GCC9	<p><b>9. Packing</b></p> <p>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</p>



	<p>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.</p> <p>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.</p>
GCC10	<p><b>10. Delivery and Documentation</b></p> <p>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.</p> <p>10.2. Documents to be submitted by the supplier are specified in SCC.</p>
GCC10 SCC	<p>No quantities required for delivery. Delivery of service will be specified on the Service Level Agreement signed between the MICT SETA and the contracted party.</p> <p>MICT SETA will verify both service delivery and performance prior to signing a certificate of delivery / installation / progress milestone / commissioning evidencing such performance.</p> <p>The MICT shall ensure that payment is made on service level achieved/delivered and Contractor must ensure such approved verification accompanies the subsequent supplier invoice.</p>
GCC11	<p><b>11. Insurance</b></p> <p>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.</p>
GCC11 SCC	<p>No delivery of physical goods to take place under this contract to warrant insurance.</p>
GCC12	<p><b>12. Transportation</b></p> <p>12.1. Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC.</p>
GCC12 SCC	<p>Terms of contract include collection of documents (payment batches) twice a week for processing.</p>
GCC13	<p><b>13. Incidental Services</b></p> <p>13.1. The supplier may be required to provide any or all of the following services,</p>

	<p>including additional services, if any, specified in SCC:</p> <p>13.1.1. performance or supervision of on-site assembly and/or commissioning of the supplied goods;</p> <p>13.1.2. furnishing of tools required for assembly and/or maintenance of the supplied goods;</p> <p>13.1.3. furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;</p> <p>13.1.4. 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</p> <p>13.1.5. 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.</p> <p>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</p>
GCC13 SCC	<p>No physical goods will be supplied. Prices charged for incidental services if any, shall be included in the contract price.</p> <p>Training of system users shall form part service level agreement</p>
GCC14	<p><b>14. Spare Parts</b></p> <p>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:</p> <p>14.1.1. 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</p> <p>14.1.2. in the event of termination of production of the spare parts:</p> <p>14.1.2.1. Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and</p> <p>14.1.2.2. Following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.</p>
GCC14 SCC	<p>Condition not applicable for this procurement</p>

GCC15	<p><b>15. Warranty</b></p> <p>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.</p> <p>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.</p> <p>15.3. The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.</p> <p>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.</p> <p>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</p>
GCC15 SCC	The supplier warrants that agreed service levels will be maintained throughout the duration of the contract
GCC16	<p><b>16. Payments</b></p> <p>16.1. The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.</p> <p>16.2. The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment of other obligations stipulated in the contract.</p> <p>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.</p> <p>16.4. Payment will be made in Rand unless otherwise stipulated in SCC</p>
GCC16	Payment will be made according to agreed terms and payment schedule provided by contractor

SCC	<p>Method and conditions of payment are as follows:</p> <ul style="list-style-type: none"> <li>a) The MICT SETA only accepts invoices supported by signed status progress report in accordance with this contract as valid payment requests.</li> <li>b) The contractor submits the above invoices to the appointed MICT SETA contract manager for authorisation and submission to the finance unit for payment.</li> <li>c) The MICT SETA does not settle invoices for outstanding goods or services.</li> <li>d) Payment is made in the South African Rands.</li> </ul>
GCC17	<p><b>17. Prices</b></p> <p>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.</p>
GCC17 SCC	No Price adjustments are allowable under this contract
GCC18	<p><b>18. Contract Amendment</b></p> <p>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.</p>
GCC19	<p><b>19. Assignment</b></p> <p>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.</p>
GCC20	<p><b>20. Subcontract</b></p> <p>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.</p>
GCC20 SCC	<ul style="list-style-type: none"> <li>a) The supplier shall notify the MICT SETA in writing of all subcontracts under this contract inclusive of termination of such sub-contracts and the replacement of sub-contracts previously notified in writing.</li> <li>b) The supplier cannot sub-contract more than 30% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the supplier, unless the supplier sub-contracts to an EME that has the capability and ability to execute the sub-contract.</li> <li>c) The supplier provides proof, in the legislated formats, of the sub-contractor's B-BBEE status for each sub-contract to this contract to the MICT SETA.</li> </ul>
GCC21	<p><b>21. Delays in supplier's performance</b></p> <p>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</p>

	<p>the contract.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>21.6. Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.</p>
GCC22	<p><b>22. Penalties</b></p> <p>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.</p>

**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:
- 23.1.1 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;
- 23.1.2 if the Supplier fails to perform any other obligation(s) under the contract;  
or
- 23.1.3 if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.
- 23.2. In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.
- 23.3. Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.
- 23.4. If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.
- 23.5. Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.
- 23.6. If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
- 23.6.1 the name and address of the supplier and / or person restricted by the purchaser;
- 23.6.2 the date of commencement of the restriction

	<p>23.6.3 the period of restriction; and</p> <p>23.6.4 the reasons for the restriction.</p> <p>These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.</p> <p>23.7. If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.</p>
GCC24	<p><b>24. Anti-dumping and countervailing duties</b></p> <p>24.1. When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him</p>
GCC25	<p><b>25. Force Majeure</b></p> <p>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.</p> <p>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</p>



	all reasonable alternative means for performance not prevented by the force majeure event.
GCC26	<b>26. Termination for solvency</b>
	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.
GCC27	<b>27. Settlements of disputes</b>
	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, 27.5.1 the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and 27.5.2 the purchaser shall pay the supplier any monies due the supplier.
GCC28	<b>28. Limitation of Liability</b>
	28.1. Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6; 28.1.1 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 28.1.2 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.



GCC29	<p><b>29. Governing language</b></p> <p>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.</p>
GCC30	<p><b>30. Applicable law</b></p> <p>30.1. The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.</p>
GCC31	<p><b>31. Notices</b></p> <p>31.1. Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice</p> <p>31.2. The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice</p>
GCC32	<p><b>32. Taxes and duties</b></p> <p>32.1. A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.</p> <p>32.2. A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.</p> <p>32.3. No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services</p>
GCC33	<p><b>33. National Industrial Participation Programme</b></p> <p>33.1. The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.</p>
GCC34	<p><b>34. Prohibition of restrictive practices</b></p> <p>34.1. In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).</p> <p>34.2. If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice</p>

	<p>referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.</p> <p>34.3. If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.</p> <p>++</p>
<b>OTHER BID SPECIAL CONDITIONS OF CONTRACT (SCC)</b>	
<b>BID SCC</b>	<p><b>Intellectual property provided in the bid invitation</b></p> <p>The ownership and intellectual property rights of all designs, specifications, programming code and all other documentation provided by the MICT SETA to the Bidder, both successful and unsuccessful, remain the property of the MICT SETA.</p>
<b>BID SCC</b>	<p><b>Intellectual property contained in the deliverables</b></p> <p>The ownership and intellectual property rights of all designs, specifications, programming code and all other documentation required as part of the delivery to the MICT SETA reside with the MICT SETA.</p>
<b>BID SCC</b>	<p><b>Third Party Agreements</b></p> <p>No agreement between the contracted party and the third party is binding on the MICT SETA.</p>
<b>BID SCC</b>	<p><b>Third Party Warranty</b></p> <p>Where the contracted party sources goods or services from a third party, the contracted party warrants that all financial and supply arrangements are agreed between the contracted party and the third party.</p>
<b>BID SCC</b>	<p><b>Contracted Party Due Diligence</b></p> <p>The MICT SETA reserves the right to conduct supply chain due diligence during the contract period including site visits as and when it is deemed necessary.</p>

## DEFINITIONS

1. **“all applicable taxes”** includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
2. **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad -Based Black Economic Empowerment Act;
3. **“B-BBEE status level of contributor”** means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
4. **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
5. **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
6. **“comparative price”** means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration;
7. **“consortium or joint venture”** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;
8. **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
9. **“EME”** means any enterprise with an annual total revenue of R35 million or less .
10. **“Firm price”** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
11. **“functionality”** means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working

or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;

12. “**non-firm prices**” means all prices other than “firm” prices;

13. “**person**” includes a juristic person;

14. “**rand value**” means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;

15. “**sub-contract**” means the primary contractor’s assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;

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

17. “**trust**” means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and

18. “**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