

30/09/2021



public works
& infrastructure

Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

TENDER: HP21/012GS

RETURNABLE DOCUMENTS

AND

SPECIFICATIONS

FOR

**TRAINING OF 25 EPWP PARTICIPANT ON NATIONAL
CERTIFICATE: COMMUNITY HOUSE BUILDING: SAQA
ID 24273: NQF LEVEL 2: CETA LEARNERSHIP
REGISTRATION NUMBER: 05Q50062251312 IN
HARRY GWALA DISTRICT MUNICIPALITY (1 SITE)**

CONTENTS OF BID DOCUMENT

Project title:	Training of 25 EPWP participant on National Certificate: Community House Building: SAQA ID 24273: NQF Level 2: CETA learnership registration number: 05Q50062251312 in Harry Gwala District Municipality (1 site)		
Project Leader:	Tsholofelo Poee	Bid / no:	HP21/012GS

SECTIONS IN BID DOCUMENT

Bidders are to ensure that they have received all pages of the bid document, which consists of the following sections:

Bid Document Name:	Number of Pages:
Cover page	1 Page
Content page	1 Page
Map of closing address	1 Page
Bid Form (PA-32)	3 Pages
PA-04(GS): Notice and invitation to tender	5 Pages
PA-09 (GS): List of returnable document	1 Page
PA-10: General Conditions of contract (GCC)	10 Pages
PA-11: Declaration of Interest and Bidder's Past Supply Chain Management Practices	4 Pages
PA-15.1 Resolution of Board of Directors	2 Pages
PA-15.2: Resolution of Board of Directors to enter into Consortia or Joint Ventures	2 Pages
PA-15.3: Special Resolution of Consortia or Joint Venture	3 Pages
PA-16 : Form for Claiming BBBEE points	5 Pages
PA29: Certificate of Bid Determination	4 Pages
PA-36: Declaration Certificate for Local Production and Content for Designated Sectors	4 Pages
PA-40: Declaration of designated groups for preferential procurement	2 Pages
Terms of reference	22 Pages
Submission of a completed annexure A	02 Page

**YOU ARE HEREBY INVITED TO BID TO THE GOVERNMENT OF THE
REPUBLIC OF SOUTH AFRICA**

PLEASE TAKE NOTE

BID NUMBER: HP21/012GS

CLOSING TIME: SHARP 11:00 CLOSING DATE: 26/10/2021

***BIDS RECEIVED AFTER THE CLOSING TIME AND DATE ARE LATE AND WILL, AS A RULE NOT BE
ACCEPTED FOR CONSIDERATION***

BID DOCUMENTS MAY BE POSTED TO

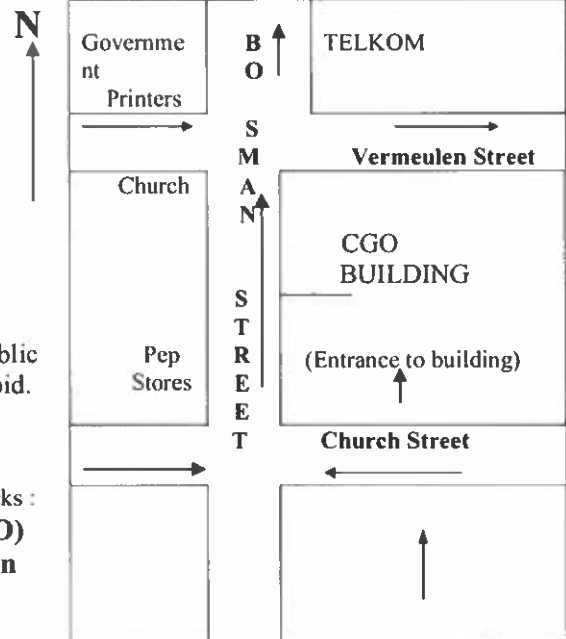
**DIRECTOR-GENERAL
Department of Public Works
Private Bag X65
PRETORIA
0001**

**ATTENTION: TENDER SECTION:
Central Government office: Room 121**

Bid documents that are posted must reach the Department of Public Works: Tender section, before 08:00 on the closing date of the bid.

OR

The bid documents may be deposited at the Department of Public Works :
Head Office: **Room 121, Central Government Office (CGO)
c/o Bosman and Vermeulen Street.(Entrance Vermeulen
Street) Pretoria,0001**



The Head Office of the Department of Public Works is open **Mondays to Fridays**
07:30 – 12:30 / 13:30 – 15:30. However, if the bid is late, it will, as a rule not be accepted
for consideration.

Bidders should ensure that bids are delivered timeously to the correct address.

SUBMIT ALL BIDS ON THE OFFICIAL FORMS - DO NOT RETYPE.

Bids by telegram, facsimile or other similar apparatus will not be accepted for consideration.

**SUBMIT EACH BID IN A SEPARATE SEALED ENVELOPE,
INDICATING THE TENDER NR, CLOSING DATE AND YOUR COMPANY NAME**

The Government Tender Bulletin is available on the Internet on the following web sites:

1. <http://www.treasury.gov.za>
2. <http://www.info.gov.za/documents/tenders/index.htm>

**PART A
INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	HP21/012GS	CLOSING DATE:	26-10-2021	CLOSING TIME:	11H00
DESCRIPTION	Training of 25 EPWP participant on National Certificate: Community House Building: SAQA ID 24273: NQF Level 2: CETA learnership registration number: 05Q50062251312 in Harry Gwala District Municipality (1 site)				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (DPW04.1 GS or DPW04.2 GS).					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
Department of Public works: CGO Building: Bosman and Madiba ST					
Pretoria Central: Reception area					
OR POSTED TO:					
Attention to Procurement Office: Bid Admin: Department of Public Works: CGO Building: Bosman and Madiba ST: Private bag x65					
Pretoria Central:0001					
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					
	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	<input type="checkbox"/> Yes <input type="checkbox"/> No	
IF YES, WHO WAS THE CERTIFICATE ISSUED BY?					
AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA) AND NAME THE APPLICABLE IN THE TICK BOX	<input type="checkbox"/>	AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)			
	<input type="checkbox"/>	A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS)			
	<input type="checkbox"/>	A REGISTERED AUDITOR			
		NAME:			
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT(FOR EMEs& QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ANSWER PART B:3 BELOW]
SIGNATURE OF BIDDER	DATE	
CAPACITY UNDER WHICH THIS BID IS SIGNED (Attach proof of authority to sign this bid; e.g. resolution of directors, etc.)			
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE (ALL APPLICABLE TAXES)	
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	
DEPARTMENT/ PUBLIC ENTITY	PUBLIC WORKS	CONTACT PERSON	TSHOLOFELO POOE
CONTACT PERSON	PHUTI MAHLANYA	TELEPHONE NUMBER	012 492 3082/ 078 457 6763
TELEPHONE NUMBER	012 406 1658	FACSIMILE NUMBER	
FACSIMILE NUMBER		E-MAIL ADDRESS	Tsholofelo.pooe@dpw.gov.za
E-MAIL ADDRESS	Phuti.mahlanya@dpw.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. BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.
1.4. WHERE A BIDDER IS NOT REGISTERED ON THE CSD, MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS MAY NOT BE SUBMITTED WITH THE BID DOCUMENTATION. B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.
1.5. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER LEGISLATION OR 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 TAX COMPLIANCE STATUS (TCS) 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 BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.
2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.
2.6 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.

3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

- 3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? YES NO
- 3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA? YES NO
- 3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA? YES NO
- 3.4. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA? YES NO

IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TAX COMPLIANCE STATUS / TAX COMPLIANCE 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. AN ORIGINAL OR CERTIFIED COPY OF THE B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE.

IN THE CASE OF EXEMPTED MICRO ENTERPRISES (EME), A VALID CERTIFIED SWORN AFFIDAVIT MUST BE SUBMITTED WITH THE BID OFFER)

Note Well:

- a) In respect of non VAT vendors the bidders may not increase the bid price under Section 67(1) of the Value Added Tax Act of 1991 where the relevant transaction would become subject to VAT by reason of the turnover threshold being exceeded and the bidder becomes liable for VAT.
- b) All delivery costs must be included in the bid price, for delivery at the prescribed destination.
- c) The price that appears on this form is the one that will be considered for acceptance as a firm and final offer.
- d) The grand total in the pricing schedule(s), inclusive of VAT, attached to the bid offer must correlate and be transferred to this form (PA32).
- e) Where there are inconsistencies between the grand total price offer in the pricing schedule(s) and the PA32 price offer, the price offer on the PA32 shall prevail and deemed to be firm and final. No further correspondence shall be entered into in this regard.

¹ All applicable taxes" includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies

PA-04 (GS): NOTICE AND INVITATION TO BID

THE DEPARTMENT OF PUBLIC WORKS INVITES BIDDERS FOR THE REQUEST FOR Training of 25 EPWP participants on NC: Community House Building: SAQA ID 24273: NQF Level 2: CETA Learnership Registration Number: 05Q50062251312 in Harry Gwala District Municipality (1 Site)

Project title:	Training of 25 EPWP participants on NC: Community House Building: SAQA ID 24273: NQF Level 2: CETA Learnership Registration Number: 05Q50062251312 in Harry Gwala District Municipality (1 Site)
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Bid no:	HP21/012GS		
Advertising date:	2021-09-30	Closing date:	2021-10-26
Closing time:	11:00am	Validity period:	60 days

Only bidders who are responsive to the following responsiveness criteria are eligible to submit bids:

<input checked="" type="checkbox"/>	Bid offer must be properly received on the bid closing date and time specified on the invitation, fully completed and signed in ink.
<input checked="" type="checkbox"/>	Submission of applicable (PA-15.1, PA-15.2, PA-15.3): Resolution by the Legal Entity, or consortium / joint venture, authorising a dedicated person(s) to sign documents on behalf of the firm / consortium / joint venture.
<input checked="" type="checkbox"/>	Submission of other compulsory returnable schedules / documents as per (PA-09 (GS)): List of returnable documents.
<input checked="" type="checkbox"/>	Submission of (PA-11): Declaration of Interest and Bidder's Past Supply Chain Management Practices
<input checked="" type="checkbox"/>	Submission of (PA-29): Certificate of Independent Bid Determination.
<input checked="" type="checkbox"/>	Registration on National Treasury's Central Supplier Database (CSD)
<input type="checkbox"/>	Copy of joint venture agreement if bidder is a joint venture and / or consortium.
<input checked="" type="checkbox"/>	Compliance to Local Production and Content requirements as per PA36 and Annexure C
<input checked="" type="checkbox"/>	Compliance with Pre-qualification criteria for Preferential Procurement (item 6.2 must be completed)
<input checked="" type="checkbox"/>	Use of correction fluid is prohibited
<input checked="" type="checkbox"/>	Submission of valid proof of accreditation with the SETA for SAQA qualification ID: 24273 including the selected elective unit standards provided in the terms of references.
<input checked="" type="checkbox"/>	Submission of the signed bid pricing structure (Annexure A) as per the provided template which include Covid-19 compliance PPE's
<input type="checkbox"/>	Attendance of a None Compulsory virtual briefing session
<input type="checkbox"/>	
<input type="checkbox"/>	

Tenderer must comply with the Pre-qualification criteria for Preferential Procurement listed below

<input checked="" type="checkbox"/>	A tenderer having stipulated minimum B-BBEE status level of contributor: <input checked="" type="checkbox"/> Level 1 or <input checked="" type="checkbox"/> Level 2 or <input type="checkbox"/> Level 3
<input type="checkbox"/>	An EME or QSE
<input type="checkbox"/>	A tenderer subcontracting a minimum of 30% to:

	<input type="checkbox"/> An EME or QSE which is at least 51% owned by black people <input type="checkbox"/> An EME or QSE which is at least 51% owned by black people who are youth <input type="checkbox"/> An EME or QSE which is at least 51% owned by black people who are women <input type="checkbox"/> An EME or QSE which is at least 51% owned by black people with disabilities <input type="checkbox"/> An EME or QSE which is at least 51% owned by black people living in rural or underdeveloped areas or townships <input type="checkbox"/> A co-operative which is at least 51% owned by black people <input type="checkbox"/> An EME or QSE which is at least 51% owned by black people who are Military veterans <input type="checkbox"/> An EME or QSE;
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This bid will be evaluated according to the preferential procurement model in the PPPFA:
(Tick applicable preference point scoring system)

<input checked="" type="checkbox"/> 80/20 Preference points scoring system	<input type="checkbox"/> 90/10 Preference points scoring system	<input type="checkbox"/> Either 80/20 or 90/10 Preference points scoring system
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In case where below/above R 50 000 000 is selected, the lowest acceptable tender will be used to determine the applicable preference point system.

Note: Functionality will be applied as a prequalification criterion. Such criteria is used to establish minimum requirements where after bids will be evaluated solely on the basis of price and preference.

Minimum functionality score to qualify for further evaluation:	60
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Functionality criteria:	Weighting factor:
<p>A. Prospective bidders must have a relevantly qualified facilitator with NC: Community House Building, SAQA ID: 24273 or equivalent with relevant experience: (curriculum vitae and copies of qualifications must be attached)</p> <p>Qualified facilitator with relevant experience of 49 months and above = 5 points Qualified facilitator with relevant experience of 37 to 48 months = 4 points Qualified facilitator with relevant experience of 25 to 36 months = 3 points Qualified facilitator with relevant experience of 13 to 24 months = 2 points Qualified facilitator with relevant experience of 1 day to 12 months = 1 point Did not provide any of the above listed items = 0 point</p>	25
<p>B. Prospective bidders must have a relevantly CETA registered assessor for the qualification with relevant experience: (curriculum vitae and proof of registration must be attached)</p> <p>Registered assessor with relevant experience of 49 months and above = 5 points Registered assessor with relevant experience of 37 to 48 months = 4 points Registered assessor with relevant experience of 25 to 36 months = 3 points Registered assessor with relevant experience of 13 to 24 months = 2 points Registered assessor with relevant experience of 1 day to 12 months = 1 point Did not provide any of the above listed items = 0 point</p>	25
<p>C. Prospective bidders must have a relevantly CETA registered moderator for the qualification with relevant experience: (curriculum vitae and proof of registration must be attached)</p> <p>Registered moderator with relevant experience of 49 months and above = 5 points Registered moderator with relevant experience of 37 to 48 months = 4 points Registered moderator with relevant experience of 25 to 36 months = 3 points Registered moderator with relevant experience of 13 to 24 months = 2 points Registered moderator with relevant experience of 1 day to 12 months = 1 point Did not provide any of the above listed items = 0 point</p>	25

<p>D. Prospective bidders must submit a detailed training plan which includes all comprehensive training methodology (The training methodology includes the following 7 steps: 1. Diagnostic Assessment, 2. Registration of Learners; 3. Theory and Practicals; 4. Workplace; 5. Assessment; 6. Moderation; and 7. Certification)</p> <p>Detailed training plan including training methodology with 7 steps = 5 points Detailed training plan including training methodology with 6 steps = 4 points Detailed training plan including training methodology with 5 steps = 3 points Detailed training plan including training methodology with 3 to 4 steps = 2 points Detailed training plan including training methodology with 1 to 2 steps = 1 point Did not provide any of the above listed items = 0 point</p>	<p>15</p>
<p>E. Prospective bidders must submit the details of the Project Manager with experience in project management: (curriculum vitae must be attached)</p> <p>Project Manager with relevant experience of 49 months and above in project management = 5 points Project Manager with relevant experience of 37 to 48 months in project management = 4 points Project Manager with relevant experience of 25 to 36 months in project management = 3 points Project Manager with relevant experience of 13 to 24 months in project management = 2 points Project Manager with relevant experience of 1 day to 12 months in project management = 1 point Did not provide any of the above listed items = 0 point</p>	<p>10</p>
<p>Total</p>	<p>100 Points</p>

Subject to sub-regulation 6(2) and /or 7(2), points must be awarded to a tenderer for attaining B-BBEE status level contributor in accordance with the table 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

- The points scored by a tenderer in respect of the level of BBBEE contribution contemplated in sub regulation 6(2) and 7(2) must be added to the points scored for price as calculated in accordance with sub regulation 6(1) and 7(1) respectively

- Subject to regulation 11(1), the contract must be awarded to the tenderer who scores the highest total number of points.
- A contract may be awarded to a tenderer that did not score the highest total number of points, only in accordance with section 2 (1) (f) of the Act

COLLECTION OF BID DOCUMENTS:

- Bid documents are available for free download on e-Tender portal www.etenders.gov.za
- Alternatively; Bid documents may be collected during working hours at the following address **Department of Public Works, CGO Building, Bosman and Madiba Street, Pretoria CBD, Room number 121. A non-refundable bid deposit of R 100.00**

A non-compulsory briefing session will be held via zoom on 11 October 2021 @10:00 AM. Bidders who are interested to attend the Briefing Session must send their email addresses to kopano.mapheto@dpw.gov.za & johny.chokoe@dpw.gov.za in advance in order to receive the meeting link two hours prior the meeting. Only two email addresses will be allowed per bidder and not more than that.

ENQUIRIES RELATED TO BID DOCUMENTS MAY BE ADDRESSED TO:


DPW Project Leader:	Tsholofelo Poee	Telephone no:	012 492 3082
Cell no:	078 457 6763	Fax no:	n/a
E-mail:	tsholofelo.poee@dpw.gov.za		

DEPOSIT / RETURN OF BID DOCUMENTS:

Telegraphic, telephonic, telex, facsimile, electronic and / or late tenders will not be accepted.
Requirements for sealing, addressing, delivery, opening and assessment of tenders are stated in the bid document.
All tenders must be submitted on the official forms –

<p>BID DOCUMENTS MAY BE POSTED TO:</p> <p>THE DIRECTOR -GENERAL DEPARTMENT OF PUBLIC WORKS PRIVATE BAG X 65 <i>Pretoria</i> 0001</p> <p>ATTENTION: PROCUREMENT SECTION: ROOM 121</p> <p><i>POSTED TENDERS MUST BE RECEIVED PRIOR CLOSING DATE AND TIME AT 11H00 BY THE DEPARTMENT</i></p>	OR	<p>DEPOSITED IN THE TENDER BOX AT:</p> <p>Department of Public Works and Infrastructure Central Government Offices Corner of Bosman & Madiba streets 121</p>
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COMPILED BY:

Tsholofelo Poee		Project Manager	30.09.2021
Name of Project Leader	Signature	Capacity	Date

PA-09 (GS): LIST OF RETURNABLE DOCUMENTS

Project title:	Training of 25 EPWP participant on National Certificate: Community House Building: SAQA ID 24273: NQF Level 2: CETA learnership registration number: 05Q50062251312 in Harry Gwala District Municipality (1 site)		
Project Leader:	TSHOLOFELO POOE	Bid / Quote no:	HP21/012GS

1. THE BIDDER MUST COMPLETE THE FOLLOWING RETURNABLE DOCUMENTS:

(Bidders may use the "Returnable document" column to confirm documents have been completed and returned by inserting a tick)

Bid Document Name:	Number of Pages:	Returnable document:
Cover page	01 Pages	<input type="checkbox"/>
Map	01 Pages	<input type="checkbox"/>
Bid form of offer (PA 32)	03 Pages	<input type="checkbox"/>
PA 04 (GS): Notice and invitation to tender	05 Pages	<input type="checkbox"/>
PA 09 (GS): List of returnable documents	01 Pages	<input type="checkbox"/>
PA-10(GS): General Conditions of contract	10 Pages	<input type="checkbox"/>
PA-11(GS) Declaration of interest and bidder's past supply chain management practices	04 Pages	<input type="checkbox"/>
PA-15.1: Resolution of board of Directors	02 Pages	<input type="checkbox"/>
PA-15.2: Resolution of board of Directors to enter into consortia or joint venture	02 Pages	<input type="checkbox"/>
PA-15.3: Special resolution of consortia or joint ventures	02 Pages	<input type="checkbox"/>
PA-16: Preference Points Claim form	05 Pages	<input type="checkbox"/>
PA-29: Certificate of independent Bid Determination	04 Pages	<input type="checkbox"/>
PA-36: Declaration Certificate for Local Production and Content for Designated Sectors	04 Pages	<input type="checkbox"/>
PA-40: Declaration of designated groups for preferential procurement	02 Pages	<input type="checkbox"/>
Terms of reference	23 Pages	<input type="checkbox"/>
Submission of a completed annexure A (Pricing Schedule)	02 Page	<input type="checkbox"/>

Name of Bidder	Signature	Date

PA-10: GENERAL CONDITIONS OF CONTRACT (GCC)

NOTES:

The purpose of this document is to:

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

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

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

TABLE OF CLAUSES

1. Definitions
2. Application
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5. Use of contract documents and information; inspection
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7. Performance security
8. Inspections, tests and analysis
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10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
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17. Prices
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19. Assignment
20. Subcontracts
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22. Penalties
23. Termination for default
24. Dumping and countervailing duties
25. Force Majeure
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27. Settlement of disputes
28. Limitation of liability
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General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:

- 1.1. **"Closing time"** means the date and hour specified in the bidding documents for the receipt of bids.
- 1.2. **"Contract"** means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- 1.3. **"Contract price"** means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- 1.4. **"Corrupt practice"** means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
- 1.5. **"Countervailing duties"** are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- 1.6. **"Country of origin"** means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- 1.7. **"Day"** means calendar day.
- 1.8. **"Delivery"** means delivery in compliance of the conditions of the contract or order.
- 1.9. **"Delivery ex stock"** means immediate delivery directly from stock actually on hand.
- 1.10. **"Delivery into consignees store or to his site"** means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
- 1.11. **"Dumping"** occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
- 1.12. **"Force majeure"** means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13. **"Fraudulent practice"** means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14. **"GCC"** means the General Conditions of Contract.
- 1.15. **"Goods"** means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

- 1.16. **"Imported content"** means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17. **"Local content"** means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18. **"Manufacture"** means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19. **"Order"** means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20. **"Project site"** where applicable, means the place indicated in bidding documents.
- 1.21. **"Purchaser"** means the organization purchasing the goods.
- 1.22. **"Republic"** means the Republic of South Africa.
- 1.23. **"SCC"** means the Special Conditions of Contract.
- 1.24. **"Services"** means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.25. **"Written" or "in writing"** means handwritten in ink or any form of electronic or mechanical writing.

2. Application

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

3. General

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

4. Standards

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

5. Use of contract documents and information; inspection.

- 5.1. The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be

made in confidence and shall extend only so far as may be necessary for purposes of such performance.

- 5.2. The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3. Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.
- 5.4. The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

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

7. Performance security

- 7.1. Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2. The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3. The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
 - (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
 - (b) a cashier's or certified cheque
- 7.4. The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspections, tests and analyses

- 8.1. All pre-bidding testing will be for the account of the bidder.
- 8.2. If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 8.3. If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4. If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5. Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

- 8.6. Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7. Any contract supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.
- 8.8. The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

- 9.1. The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
- 9.2. The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

- 13.1. The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
 - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
 - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
 - (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

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

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

14. Spare parts

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

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

- (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
- (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

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

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

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

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

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

16. Payment

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

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

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

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

17. Prices

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

18. Contract amendments

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

19. Assignment

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

20. Subcontracts

- 20.1. The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

21. Delays in the supplier's performance

- 21.1. Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2. If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3. No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4. The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.
- 21.5. Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.
- 21.6. Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

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

23. Termination for default

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

- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
 - (b) if the Supplier fails to perform any other obligation(s) under the contract; or
 - (c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.
- 23.2. In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.
- 23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period of not exceeding 10 years.
- 23.4 If a purchaser intends imposing a restriction on a supplier or any person with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide 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 on any person by the Accounting Officer/ Authority will, at the discretion of the Accounting Officer/ Authority, also be applicable to any 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 the first-mentioned person, is or was in the opinion of the Accounting Officer/ Authority actively associated.
- 23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish The National Treasury, with the following information:
- i) The name and address of the supplier and/or person restricted by the purchaser;
 - ii) The date of commencement of the restriction
 - iii) The period of the restriction; and
 - iv) The reasons for the restriction.
- These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.
- 23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than ten years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

24. Anti-dumping and countervailing duties and rights

- 24.1. When, after the date of bid, provisional payments are required, or 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 the 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 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 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

33. National Industrial Participation Programme (NIPP)

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.

34. Prohibition of Restrictive Practices

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

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

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

Name of Bidder	Signature	Date

PA-11: DECLARATION OF INTEREST AND BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

Failure to complete this form in **full** and signed by the duly authorized person, as indicated on PA-15.1 or PA-15.3, shall render the tender non-responsive and will be removed from any and all further contention.

Project title:	<i>Training of 25 EPWP participant on National Certificate: Community House Building: SAQA ID 24273: NQF Level 2: CETA learnership registration number: 05Q50062251312 in Harry Gwala District Municipality (1 site)</i>		
Bid no:	HP21/012GS	Reference no:	

The following particulars must be furnished. In the case of a joint venture, separate declarations in respect of each partner must be completed and submitted.

1. CIDB REGISTRATION NUMBER (if applicable)

2. Any legal person, including persons employed by the State¹; 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 a price quotation, advertised competitive bid, limited bid or proposal). 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 and/or take an oath declaring his/her interest, 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/a person who are/is 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.

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, trustees, shareholder² ect

3.4 Company Registration Number:

3.5 Tax Reference umber:.....

3.6 VAT Registration Number:

3.6.1 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 paragraph 3 below.

¹ "State" means –

- (a) 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);
- (b) any municipality or municipal entity;
- (c) provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

² "Shareholder" means –

- (a) a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercise control over the enterprise

3.7 Are you or any person connected with the bidder presently employed by the state? YES NO

3.7.1 If so, furnish the following particulars:

Name of person / director / trustees / shareholder / member:.....
 Name of state institution at which you or the person is connected to the bidder is employed
 Position occupied in the state institution:.....

Any other particulars:

3.8 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? YES NO

3.8.1 If so, furnish particulars:.....

3.9 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? YES NO

3.9.1 If so, furnish particulars.

3.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other)

between the bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid? YES NO

3.10.1 If so, furnish particulars.

.....
.....

3.11 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? YES NO

3.11.1 If so, furnish particulars:

.....
.....

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

Full Name	Identity Number	Personal Tax Reference Number	State Employee Number / Persal Number

5. DECLARATION OF TENDERER / BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

5.1	<p><i>Is the tenderer / bidder or any of its directors listed on the National Treasury's database as companies or persons prohibited from doing business with the public sector?</i></p> <p>(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).</p>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
-----	---	---------------------------------	-----------------------------

5.2	If so, furnish particulars:		
5.3	Is the tenderer / 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)? 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.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
5.4	If so, furnish particulars:		
5.5	Was the tenderer / 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?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
5.6	If so, furnish particulars:		
5.7	Was any contract between the tenderer / bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
5.8	If so, furnish particulars:		

6. 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.

Name of Tenderer / bidder	Signature	Date	Position

This form has been aligned with SBD4 and SBD 8

PA-15.1: RESOLUTION OF BOARD OF DIRECTORS

RESOLUTION of a meeting of the Board of *Directors / Members / Partners of:

_____ (legally correct full name and registration number, if applicable, of the Enterprise)

Held at _____ (place)

on _____ (date)

RESOLVED that:

1. The Enterprise submits a Bid / Tender to the Department of Public Works in respect of the following project:

_____ (project description as per Bid / Tender Document)

Bid / Tender Number: _____ (Bid / Tender Number as per Bid / Tender Document)

2. *Mr/Mrs/Ms: _____

in *his/her Capacity as: _____ (Position in the Enterprise)

and who will sign as follows: _____

be, and is hereby, authorised to sign the Bid / Tender, and any and all other documents and/or correspondence in connection with and relating to the Bid / Tender, as well as to sign any Contract, and any and all documentation, resulting from the award of the Bid / Tender to the Enterprise mentioned above.

	Name	Capacity	Signature
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The bidding enterprise hereby absolves the Department of Public Works from any liability whatsoever that may arise as a result of this document being signed.

Note:

- * Delete which is not applicable.*
- NB:** This resolution must, where possible, be signed by all the Directors / Members / Partners of the Bidding Enterprise.
- In the event that paragraph 2 cannot be complied with, the resolution must be signed by Directors / Members / Partners holding a majority of the shares / ownership of the Bidding Enterprise (attach proof of shareholding / ownership hereto).
- Directors / Members / Partners of the Bidding Enterprise may alternatively appoint a person to sign this document on behalf of the Bidding Enterprise, which person must be so authorized by way of a duly completed power of attorney, signed by the Directors / Members / Partners holding a majority of the shares / ownership of the Bidding Enterprise (proof of shareholding / ownership and power of attorney are to be attached hereto).
- Should the number of Directors / Members / Partners exceed the space available above, additional names and signatures must be supplied on a separate page.

ENTERPRISE STAMP



PA-15.2: RESOLUTION OF BOARD OF DIRECTORS TO ENTER INTO CONSORTIA OR JOINT VENTURES

RESOLUTION of a meeting of the Board of *Directors / Members / Partners of:

(Legally correct full name and registration number, if applicable, of the Enterprise)

Held at _____ (place)

on _____ (date)

RESOLVED that:

1. The Enterprise submits a Bid /Tender, in consortium/Joint Venture with the following Enterprises:

(List all the legally correct full names and registration numbers, if applicable, of the Enterprises forming the Consortium/Joint Venture)

to the Department of Public Works in respect of the following project:

(Project description as per Bid /Tender Document)

Bid / Tender Number: _____ (Bid / Tender Number as per Bid / Tender Document)

2. *Mr/Mrs/Ms: _____

in *his/her Capacity as: _____ (Position in the Enterprise)

and who will sign as follows: _____

be, and is hereby, authorised to sign a consortium/joint venture agreement with the parties listed under item 1 above, and any and all other documents and/or correspondence in connection with and relating to the consortium/joint venture, in respect of the project described under item 1 above.

3. The Enterprise accepts joint and several liability with the parties listed under item 1 above for the due fulfilment of the obligations of the joint venture deriving from, and in any way connected with, the Contract to be entered into with the Department in respect of the project described under item 1 above.
4. The Enterprise chooses as its *domicilium citandi et executandi* for all purposes arising from this joint venture agreement and the Contract with the Department in respect of the project under item 1 above:

Physical address: _____

_____ (code)



Postal Address: _____

_____ (code)

Telephone number: _____

Fax number: _____

	Name	Capacity	Signature
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

The bidding enterprise hereby absolves the Department of Public Works from any liability whatsoever that may arise as a result of this document being signed

Note:

- * Delete which is not applicable.*
- NB:** This resolution must, where possible, be signed by all the Directors / Members / Partners of the Bidding Enterprise.
- In the event that paragraph 2 cannot be complied with, the resolution must be signed by Directors / Members / Partners holding a majority of the shares / ownership of the Bidding Enterprise (attach proof of shareholding / ownership hereto).
- Directors / Members / Partners of the Bidding Enterprise may alternatively appoint a person to sign this document on behalf of the Bidding Enterprise, which person must be so authorized by way of a duly completed power of attorney, signed by the Directors / Members / Partners holding a majority of the shares / ownership of the Bidding Enterprise (proof of shareholding / ownership and power of attorney are to be attached hereto).
- Should the number of Directors / Members / Partners exceed the space available above, additional names and signatures must be supplied on a separate page.

ENTERPRISE STAMP

Blank area for ENTERPRISE STAMP

PA-15.3: SPECIAL RESOLUTION OF CONSORTIA OR JOINT VENTURES

RESOLUTION of a meeting of the duly authorised representatives of the following legal entities who have entered into a consortium/joint venture to jointly bid for the project mentioned below: *(legally correct full names and registration numbers, if applicable, of the Enterprises forming a Consortium/Joint Venture)*

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

7. _____

8. _____

Held at _____ *(place)*

on _____ *(date)*

RESOLVED that:

RESOLVED that:

- A. The above-mentioned Enterprises submit a Bid in Consortium/Joint Venture to the Department of Public Works in respect of the following project:

(Project description as per Bid /Tender Document)

Bid / Tender Number: _____ *(Bid / Tender Number as per Bid /Tender Document)*



B. *Mr/Mrs/Ms: _____

in *his/her Capacity as: _____ (Position in the Enterprise)

and who will sign as follows: _____

be, and is hereby, authorised to sign the Bid, and any and all other documents and/or correspondence in connection with and relating to the Bid, as well as to sign any Contract, and any and all documentation, resulting from the award of the Bid to the Enterprises in Consortium/Joint Venture mentioned above.

C. The Enterprises constituting the Consortium/Joint Venture, notwithstanding its composition, shall conduct all business under the name and style of:

D. The Enterprises to the Consortium/Joint Venture accept joint and several liability for the due fulfilment of the obligations of the Consortium/Joint Venture deriving from, and in any way connected with, the Contract entered into with the Department in respect of the project described under item A above.

E. Any of the Enterprises to the Consortium/Joint Venture intending to terminate the consortium/joint venture agreement, for whatever reason, shall give the Department 30 days written notice of such intention. Notwithstanding such decision to terminate, the Enterprises shall remain jointly and severally liable to the Department for the due fulfilment of the obligations of the Consortium/Joint Venture as mentioned under item D above.

F. No Enterprise to the Consortium/Joint Venture shall, without the prior written consent of the other Enterprises to the Consortium/Joint Venture and of the Department, cede any of its rights or assign any of its obligations under the consortium/joint venture agreement in relation to the Contract with the Department referred to herein.

G. The Enterprises choose as the *domicilium citandi et executandi* of the Consortium/Joint Venture for all purposes arising from the consortium/joint venture agreement and the Contract with the Department in respect of the project under item A above:

Physical address: _____

_____ (code)

Postal Address: _____

_____ (code)

Telephone number: _____

Fax number: _____

	Name	Capacity	Signature
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

The bidding enterprise hereby absolves the Department of Public Works from any liability whatsoever that may arise as a result of this document being signed.

Note:

1. * Delete which is not applicable.
2. **NB:** This resolution must be signed by all the Duly Authorised Representatives of the Legal Entities to the consortium/joint venture submitting this tender, as named in item 2 of Resolution PA-15.2.
3. Should the number of the Duly Authorised Representatives of the Legal Entities joining forces in this tender exceed the space available above, additional names, capacity and signatures must be supplied on a separate page.
4. Resolution PA-15.2, duly completed and signed, from the separate Enterprises who participate in this consortium/joint venture, must be attached to this Special Resolution (PA-15.3).

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

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 to not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable; or

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. DEFINITIONS

(a) **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the

Any reference to words "Bid" or Bidder" herein and/or in any other documentation shall be construed to have the same meaning as the words "Tender" or "Tenderer".

Broad-Based Black Economic Empowerment Act;

- (b) **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **“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 or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
 - 1) certificate issued by an authorized body or person; B-BBEE Status level
 - 2) prescribed by the B-BBEE Codes of Good Practice; A sworn affidavit as
 - 3) requirement prescribed in terms of the B-BBEE Act; Any other
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

3.1. 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**

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

Where

- P_s = Points scored for price of bid under consideration
- P_t = Price of bid under consideration
- P_{\min} = Price of lowest acceptable bid

4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

- 1.1. 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 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

5. BID DECLARATION

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

6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

- 1.1. B-BBEE Status Level of Contributor: . =(maximum of 10 or 20 points)
(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING

- 1.1. Will any portion of the contract be sub-contracted?

(Tick applicable box)

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

- 7.1.1 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)

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

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

Designated Group: An EME or QSE which is at last 51% 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		
OR		
Any EME		
Any QSE		

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

1.1. Name of company/firm:.....

1.2. VAT registration number:.....

1.3. Company registration number:.....

1.4. TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium

One person business/sole propriety

Close corporation

Company

(Pty) Limited

[TICK APPLICABLE BOX]

1.5. DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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

1.6. COMPANY CLASSIFICATION

Manufacturer

Supplier

Professional service provider

Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

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

1.8. I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 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;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, 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, or only the 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.

<p>WITNESSES</p> <p>1.</p> <p>2.</p>	<p style="text-align: center;">..... SIGNATURE(S) OF BIDDERS(S)</p> <p>DATE:</p> <p>ADDRESS</p> <p>.....</p> <p>.....</p>
--	---

PA- 29: CERTIFICATION OF INDEPENDENT BID DETERMINATION

Project title:	Training of 25 EPWP participant on National Certificate: Community House Building: SAQA ID 24273: NQF Level 2: CETA learnership registration number: 05Q50062251312 in Harry Gwala District Municipality (1 site)		
Bid no:	HP21/012GS	Reference no:	

INTRODUCTION

1. This PA-29 [Certificate of Independent Bid Determination] must form part of all bids¹ 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. Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
 - a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
 - b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
4. This form (PA-29) 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 (PA-29) must be completed and submitted with the bid:

¹ 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.

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 Institution)

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 consortium³ 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.

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

³ 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.

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.

Name of Bidder	Signature	Date	Position

PA36: Declaration Certificate for Local Production and Content for Designated Sectors.

(This form has been aligned with NT - SBD 6.2)

PA-36: DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS

This Standard Bidding Document (SBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2017, the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

1. General Conditions

- 1.1. Preferential Procurement Regulations, 2017 (Regulation 8) make provision for the promotion of local production and content.
- 1.2. Regulation 8.(2) prescribes that in the case of designated sectors, organs of state must advertise such tenders with the specific bidding condition that only locally produced or manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for tenders referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

$$LC = [1 - x / y] * 100$$

Where

- x is the imported content in Rand
y is the bid price in Rand excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by South African Reserve Bank (SARB) on the date of advertisement of the bid as indicated in paragraph 3.1 below.

The SABS approved technical specification number SATS 1286:2011 is accessible on <http://www.thedti.gov.za/industrial-development/ip.jsp> at no cost.

PA36: Declaration Certificate for Local Production and Content for Designated Sectors.

(This form has been aligned with NT - SBD 6.2)

- 1.6. A bid may be disqualified if this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation;
2. **The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:**

<u>Description of services, works or goods</u>	<u>Stipulated minimum threshold</u>
Three Layered Cloth Facial Masks	100%
_____	_____ %
_____	_____ %

3. Does any portion of the goods or services offered have any imported content?

(Tick applicable box)

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

- 3.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by SARB for the specific currency on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on www.resbank.co.za

Indicate the rate(s) of exchange against the appropriate currency in the table below (refer to Annex A of SATS 1286:2011):

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

4. Where, after the award of a bid, challenges are experienced in meeting the stipulated minimum threshold for local content the dti must be informed accordingly in order for the dti to verify and in consultation with the AO/AA provide directives in this regard.

LOCAL CONTENT DECLARATION
(REFER TO ANNEX B OF SATS 1286:2011)

LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF

PA36: Declaration Certificate for Local Production and Content for Designated Sectors.

(This form has been aligned with NT - SBD 6.2)

EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)

IN RESPECT OF BID NO.

ISSUED BY: (Procurement Authority / Name of Institution):

NB

- 1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.
- 2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on http://www.thedti.gov.za/industrial_development/ip.jsp. Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

I, the undersigned, (full names),
do hereby declare, in my capacity as
of(name of bidder
entity), the following:

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that:
 - (i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and
- (c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 3.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

Bid price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2011	R
Stipulated minimum threshold for local content (paragraph 3 above)	
Local content %, as calculated in terms of SATS 1286:2011	

If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above. The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 3.1 above and the information contained in Declaration D and E.

PA36: Declaration Certificate for Local Production and Content for Designated Sectors.

(This form has been aligned with NT - SBD 6.2)

- (d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.
- (e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 14 of the Preferential Procurement Regulations, 2017 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

SIGNATURE: _____

WITNESS No. 1 _____

DATE: _____

WITNESS No. 2 _____

DATE: _____

Annex D

Imported Content Declaration - Supporting Schedule to Annex C

(D1) Tender No. _____
 (D2) Tender description: _____
 (D3) Designated Products: _____
 (D4) Tendering Authority: _____
 (D5) Tendering Entity name: _____
 (D6) Tender Exchange Rate: _____ Pula _____

Note: VAT to be excluded from all calculations

EU R 9,00 GBP R 12,00

A. Exempted imported content

Calculation of imported content										Summary	
Tender item no's	Description of imported content	Local supplier	Overseas Supplier	Foreign currency value as per Commercial Invoice	Tender Exchange Rate	Local value of imports	Freight costs to port of entry	All locally incurred landing costs & duties	Total landed cost excl VAT	Tender Qty	Exempted imported value
(D7)	(D8)	(D9)	(D10)	(D11)	(D12)	(D13)	(D14)	(D15)	(D16)	(D17)	(D18)
(D19) Total exempt imported value										R 0	

This total must correspond with Annex C - C 21

B. Imported directly by the Tenderer

Calculation of imported content										Summary	
Tender item no's	Description of imported content	Unit of measure	Overseas Supplier	Foreign currency value as per Commercial Invoice	Tender Rate of Exchange	Local value of imports	Freight costs to port of entry	All locally incurred landing costs & duties	Total landed cost excl VAT	Tender Qty	Total imported value
(D20)	(D21)	(D22)	(D23)	(D24)	(D25)	(D26)	(D27)	(D28)	(D29)	(D30)	(D31)
(D32) Total imported value by tenderer										R 0	

C. Imported by a 3rd party and supplied to the Tenderer

Calculation of imported content										Summary	
Description of imported content	Unit of measure	Local supplier	Overseas Supplier	Foreign currency value as per Commercial Invoice	Tender Rate of Exchange	Local value of imports	Freight costs to port of entry	All locally incurred landing costs & duties	Total landed cost excl VAT	Quantity Imported	Total imported value
(D33)	(D34)	(D35)	(D36)	(D37)	(D38)	(D39)	(D40)	(D41)	(D42)	(D43)	(D44)
(D45) Total imported value by 3rd party										R 0	

D. Other foreign currency payments

Calculation of foreign currency payments					Summary of payments	
Type of payment	Local supplier making the payment	Overseas beneficiary	Foreign currency value paid	Tender Rate of Exchange	Local value of payments	
(D46)	(D47)	(D48)	(D49)	(D50)	(D51)	
(D52) Total of foreign currency payments declared by tenderer and/or 3rd party						

Signature of tenderer from Annex B _____

Date: _____

(D53) Total of Imported content & foreign currency payments - (D32), (D45) & (D52) above R 0

This total must correspond with Annex C - C 21

Annex E

Local Content Declaration - Supporting Schedule to Annex C

(E1)	Tender No.	
(E2)	Tender description:	
(E3)	Designated products:	
(E4)	Tender Authority:	
(E5)	Tendering Entity name:	

Note: VAT to be excluded from all calculations

Local Products (Goods, Services and Works)	Description of items purchased	Local suppliers	Value
	(E6)	(E7)	(E8)
(E9) Total local products (Goods, Services and Works)			R 0

(E10) **Manpower costs** (Tenderer's manpower cost) R 0

(E11) **Factory overheads** (Rental, depreciation & amortisation, utility costs, consumables etc.) R 0

(E12) **Administration overheads and mark-up** (Marketing, insurance, financing, interest etc.) R 0

(E13) Total local content R 0

This total must correspond with Annex C - C24

Signature of tenderer from Annex B

Date: _____

PA- 40: DECLARATION OF DESIGNATED GROUPS FOR PREFERENTIAL PROCUREMENT

Name of Tenderer EME¹ QSE² Non EME/QSE (tick applicable box)

1. LIST ALL PROPRIETORS, MEMBERS OR SHAREHOLDERS BY NAME, IDENTITY NUMBER, CITIZENSHIP AND DESIGNATED GROUPS.

Name and Surname #	Identity/ Passport number and Citizenship##	Percentage owned	Black	Indicate if youth	Indicate if woman	Indicate if person with disability	Indicate if living in rural / under developed area/township	Indicate if military veteran
1.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
2.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
3.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
4.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
5.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
6.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
7.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
8.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
9.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
10.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
11.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
12.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

Where Owners are themselves a Company, Close Corporation, Partnership etc, identify the ownership of the Holding Company, together with Registration number
State date of South African citizenship obtained (not applicable to persons born in South Africa)

¹ EME: Exempted Micro Enterprise

² QSE: Qualifying Small Business Enterprise

PA- 40: DECLARATION OF DESIGNATED GROUPS FOR PREFERENTIAL PROCUREMENT

2. DECLARATION:

The undersigned, who warrants that he/she is duly authorized to do so on behalf of the Tenderer, hereby confirms that:

- 1 The information and particulars contained in this Affidavit are true and correct in all respects;
- 2 The Broad-based Black Economic Empowerment Act, 2003 (Act 53 of 2003), Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), the Preferential Procurement Regulations, 2017, National Small Business Act 102 of 1996 as amended and all documents pertaining to this Tender were studied and understood and that the above form was completed according to the definitions and information contained in said documents;
- 3 The Tenderer understands that any intentional misrepresentation or fraudulent information provided herein shall disqualify the Tenderer's offer herein, as well as any other tender offer(s) of the Tenderer simultaneously being evaluated, or will entitle the Employer to cancel any Contract resulting from the Tenderer's offer herein;
- 4 The Tenderer accepts that the Employer may exercise any other remedy it may have in law and in the Contract, including a claim for damages for having to accept a less favourable tender as a result of any such disqualification due to misrepresentation or fraudulent information provided herein;
- 5 Any further documentary proof required by the Employer regarding the information provided herein, will be submitted to the Employer within the time period as may be set by the latter;

Signed by the Tenderer

Name of representative	Signature
	Date



public works
& infrastructure
Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA



EXPANDED PUBLIC WORKS PROGRAMME

TERMS OF REFERENCE:

TRAINING OF 25 EXPANDED PUBLIC WORKS PROGRAMME (EPWP) PARTICIPANTS ON NATIONAL CERTIFICATE: COMMUNITY HOUSE BUILDING: SAQA ID: 24273: NQF LEVEL 2: CETA LEARNERSHIP REGISTRATION NUMBER: 05Q50062251312 IN HARRY GWALA DISTRICT MUNICIPALITY (AT 1 SITE)

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<u>ABBREVIATIONS/ACRONYMS</u>	
BBBEE	Broad Based Black Economic Empowerment
CGO	Central Government Offices
COVID-19	Corona Virus Disease
DHET	Department of Higher Education and Training
DPWI	Department of Public Works and Infrastructure
EME	Exempted Micro Enterprises
ETD	Education Training and Development
ETQA	Education and Training Quality Assurance
EPWP	Expanded Public Works Programme
FETC	Further Education and Training Certificate
NSF	National Skills Fund
POE	Portfolio Of Evidence
POPIA	Protection Of Personal Information Act
PPE	Personal Protective Equipment
QSE	Qualifying Small Enterprises
SAQA	South African Qualifications Authority
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SMMEs	Small, Medium and Micro Enterprise
VAT	Value Added Tax

1. INTRODUCTION

These terms of reference are aimed at:

- Inviting the relevantly accredited training provider(s) for the implementation of the **CETA learnership programme – National Certificate: Community House Building, SAQA ID: 24273, NQF Level 2, learnership registration number: 05Q50062251312 in Kwa-Zulu Natal Province, 1 project – Harry Gwala District Municipality at 1 Site.**
- Defining the scope of work and the expected deliverables of the relevant training providers to ensure submission of compliant bids towards the appointment of the successful bidder.

2. BACKGROUND

The Department of Public Works and Infrastructure (DPWI) secured funding from the Department of Higher Education and Training (DHET) - National Skills Fund (NSF), to support the EPWP training initiatives across all provinces. The main objectives of training in EPWP are to equip the participants with skills and knowledge, which will enable them to effectively implement their EPWP projects and to enhance their active participation in the labour market and SMME development at the exit level.

Training is implemented in line with all applicable prescripts. The NSF Circular 11 of 2019/20 outlines the preventative measures to be undertaken to curb Covid-19 infections during training. Any change or amendment in the funder or government prescripts will be adhered to.

3. DEFINITION OF TERMS

For the purposes of this terms of reference the following definitions shall apply:

“Assessment”: refers to the formative continuous assessment by the Training Provider during the training and experience component of the learnership as well as the summative or final assessment at the end of training as per the relevant ETQA prescripts.

“Assessor”: refers to an education and training personnel who is registered by the relevant ETQA body to measure the achievement of specified National Qualification Framework standards or qualifications.

“Certification”: refers to the issuance of the certificate of competency by the relevant ETQA upon successful completion and attainment of a qualification related to a learnership.

“Classroom training”: refers to all instructional training at a venue acquired for theoretical and practical component of training as per the relevant ETQA prescripts.

“Day”: refers to any calendar day and it includes Saturdays, Sundays and recognized public holidays within the Republic of South Africa;

“EPWP”: means Expanded Public Works Programme a national government initiative aimed at drawing a significant number of unemployed people into productive work.

“EPWP participant”: refers to any person or an Organization which is participating in an EPWP project and reported as such, in line with the EPWP reporting requirements.

“Facilitator”: refers to a relevant qualified education and training personnel who offers learning process and training related activities as per the relevant ETQA prescripts.

“Funds”: refers to the project funding, as set aside by DPWI through NSF monies

“Learner”: means EPWP participant recruited by EPWP to participate in the learnership in line with the set regulations.

“Learnership”: means a registered structured outcomes-based learning programme leading to a qualification registered by the South African Qualifications Authority (SAQA) as described in Section 16 of the Act.

“Learner Allowance”: means an allowance payable by the appointed training provider to the learners from the NSF grant approved by DHET. This allowance is intended to assist learners with their daily meals and transport to attend training.

“Moderator”: refers to a registered education and training personnel who ensures that the process of assessment for the outcomes described in the NQF standards and qualification is fair, reliable and valid as per the relevant ETQA prescripts.

“NSF”: refers to the National Skills Fund established in terms of section 27(1) of the Skills Development Act, 1998 (Act No.97 of 1998) as amended.

“Quality assurance”: refers to monitoring process by ETQA to ensure compliance of training to set standards at all levels.

“Service”: means the services to be provide by the Training Provider for the project in accordance with the training deliverables.

“Service Provider”: means the successful bidder appointed to undertake this project. Training Provider shall have a corresponding meaning.

“Training Provider”: refers to a natural or juristic person appointed by DPWI accredited by an ETQA to provide accredited training to the representatives of learners.

“Workplace Training”: means all training and mentorship services conducted during the workplace experience component of the learnership, conducted on the site where the structured workplace experience is being offered, by the Mentors, as per the relevant ETQA requirements.

4. SCOPE OF WORK

The appointed training provider will be expected to implement the learnership programme in line with the relevant ETQA prescripts as listed in the table below:

Learnership Title	Learnership Registration Number	SAQA ID	Credits	NQF Level	Training Duration for Outstanding Outcomes (In months)
National Certificate:	24273		125	2	12 Months
Community House Building	Elective unit standards	9968	6		

Training will be offered to 25 EPWP Participants in **Kwa-Zulu Natal Province, – Harry Gwala District Municipality, at 1 site.**

The appointed Training Provider will be required to perform the following services in line with the relevant SETA and NSF Covid-19 preventative measures:

4.1. Pre-training deliverables

The Training Provider will be expected to comply with the following pre-training deliverable:

- Avail him/herself as well as all the required resources for training, for the due diligence session. This is an ongoing evaluation process and capacity verification which will be conducted by the Department at any stage of the project.

- Complete the NSF "Learning readiness questionnaire" (to be provided before signing the SLA) to verify Covid-19 responsiveness in terms of PPE, training facilities, and personnel. Based on the questionnaire information, the NSF/ DPWI must endorse the readiness and the SLA will be signed with the awarded provider.
- Attend a compulsory logistics meeting to be coordinated by DPWI, after signing of the SLA, in preparation for implementation.
- Verify with SAQA/ETQA to ensure the validity of the selected programmes before the commencement of training and ensure compliance with the relevant SETA/ETQA requirements for the learning programme implementation.
- Ensure that all the relevant and required staff, infrastructure, consumables including protective clothing and equipment for the achievement of the theoretical, practical, and workplace outcomes of this programme, are in place as per the relevant SETA or ETQA prescripts and Covid-19 preventative requirements. The bidders should ensure compliance to local content and production for applicable equipment and consumables. All consumables should remain with the project or learners upon completion of training, whilst equipment should be provided on a lease-basis as per the duration and the applicable activities of the course.
- Secure the accessible and suitable SETA or ETQA and Covid-19 compliant venue. This venue will be for theoretical and practical training only for all learners. The training provider should provide the classroom facilities which comply with the relevant SETA or ETQA classroom ratio and ensures a minimum of 1.5 meters social distancing between each learner and must be within the accessible radius of 2.5 kilometres and not exceeding 5 kilometres distance from the project site. The project's locality is indicated in the project sheet attached

(Annexure C). Note: The EPWP projects will be used as facilities for workplace learning).

- In line with the SETA or ETQA prescripts and Covid-19 responsive measures, avail the relevant and sufficient workplace coordinators and personnel who will continuously support and guide learners during the experiential learning. The existing EPWP projects will be used for workplace learning, therefore the provider should not charge or cost for workplace facilities, but for workplace learning or coordination only.
- NB: The training provider may agree with all stakeholders to utilize free or unpaid project sites or government facilities, equipment, consumables, etc., if suitable and sufficient. However, no claim should be submitted to DPWI by the training provider in such cases. The claim will only be paid for the provision of such facilities by the provider and proof of such and or DPWI verification report confirming that the provider has secured a suitable private or a paid government venue should accompany such claims.

4.2. Training deliverables:

The Training Provider will be expected to deliver the following pre-training deliverable for the project details attached (Annexure C)

Agree with all stakeholders regarding training delivery which will be aligned to SETA or ETQA prescripts and the Covid-19 responsive measures.

Conduct a one-day diagnostic assessment to ensure all learners' knowledge, skills, and understanding which is assumed to be in place, is reasonable to support the achievement of the programme. The results thereof should be reported to EPWP before commencing with training. Register and sign learner agreements as per the set SETA or ETQA requirements for learnerships.

Implement training in the language preferred by the learners, where applicable. EPWP participants are at different entry NQF levels and may need to be trained in the language they understand better to ensure successful completion of the programme to avoid a high dropout rate.

Provide **Four Month (04)** (30% of the course duration) of theoretical, Knowledge and practical training to ensure that all learners successfully complete the training as per the set SETA or ETQA prescripts.

Provide **Eight months (08)** (70% of the course duration) of workplace learning and coordination through **one (1) site visit per week per project site**, ensure continuous guidance and support towards successful completion of the training. NB: A site visit coordination session should be for **eight (08) hours** per visit per project and coordinated by the relevant ETD personnel as per the applicable SETA or ETQA requirements.

Assess all learners' portfolios of evidence, re-assess where necessary, moderate and upload learners' achievements in line with the SETA or ETQA prescripts, to ensure that all successful learners receive a certificate of attendance and competency certificates.

Provide remedial support as and when required in line with the SETA or ETQA prescripts to assist the not yet competent learners to successfully complete the programme.

Monitor, evaluate, and mentor continuously to ensure that, all learners are supported to enhance a 100% completion rate at the end of the learning programme.

Produce progress reports at the end of each activity in line with the SETA or ETQA prescripts. These reports will form part of support documents for respective payment tranches as outlined in paragraph 6 below e.g. theory, workplace learning, etc.

Ensure SETA or ETQA's involvement for quality assurance and verification of learners' POE at applicable levels of the programme to facilitate the successful completion of the programme by following the set timeframes.

Continuously liaise with the relevant SETA or ETQA for timeous certification of the successful learners, upon completion of the programme.

4.3. Reporting and communication

The contracted training provider should:

- Provide comprehensive reports and all other relevant documents, as per the agreed timelines, to the EPWP Project Manager. It should be noted that any relevant official from EPWP, may be involved in the project in collaboration with the EPWP regional office.
- Communicate any training related matters or challenges to the DPWI EPWP Regional Training Manager allocated to the project, and elevate such matters, if unresolved, to the Regional Programme Manager, then to Head Office level, if necessary or unless otherwise deemed fit.
- In line with the POPI Act, keep and protect any learner's data and information as confidential and not divulge any such data and or information to the third party without the prior written consent of the department.
- Any dispute will be handled in terms of the applicable DPWI prescripts which will be outlined and signed during signing of the service level agreement with the successful bidder.

5. EVALUATION CRITERIA OF APPLICATIONS/BIDS

In order to appoint an appropriate and efficient training provider who will ensure successful delivery and completion of this project, the following critical criteria should be met by the Training Provider:

5.1. Administrative responsiveness/compliance

To be considered responsive, bids must satisfy the following responsiveness criteria:

- The providers must attach all required documents as outlined in the bid document. An omission in any of the required documents will render the bidder non-responsive. Training providers who comply with administrative responsiveness will be evaluated for functionality, price, and preferences.
- Completion of returnable documents, submission of appropriate certificates, documents and information as required to determine eligibility.
- The training provider must attach proof of a valid accreditation by the relevant SETA for the **NC: Community House Building, SAQA ID: 24273, Level 2** including the elective unit standards provided at paragraph 4 above.
- Submission of completed pricing structure (Annexure A of the bid document), which also caters for Covid-19 compliant PPE.
- To claim points, EME or QSE must submit sworn affidavit signed by EME/QSE representative and attested by Commissioner of Oaths and fully complete form PA_16 in to qualify for BBBEE points.
- For bidders other than EME/QSE, an original and valid BBBEE Status level Verification Certificate (as per the relevant sector/ industry codes of good practice) or a certified copy thereof and fully complete form PA_16 to qualify for BBBEE points.

- Bidders will first be evaluated in terms of the minimum requirements for functionality. A minimum score of 60% applies for further evaluation in terms of the 80/20 Preference Point System.

5.2. Quality/Functionality

Bidders will first be evaluated in terms of the minimum requirements for functionality. A minimum score of **60%** applies for further evaluation in terms of the 80/20 Preference Point System.

- Submit copies of the condensed curriculum vitae and qualifications of the suitably qualified and registered personnel to be used for training of **25** learners i.e. learnership programme from qualification title: **NC: Community House Building, SAQA ID: 24273, Level 2**, learnership registration number: **05Q50062251312**
 - Sufficient and qualified facilitator(s) with relevant experience.
 - Sufficient and registered assessors with relevant experience.
 - Sufficient and registered moderators with relevant experience.
 - Project Manager with relevant experience.
 - Comprehensive project plan.

Functionality criteria	Weighting factor
<p>A. Prospective bidders must have a relevantly qualified facilitator with NC: Community House Building, SAQA ID 24273, NQF 2 or equivalent with relevant experience: (curriculum vitae and copies of qualifications must be attached)</p> <p>Qualified facilitator with relevant experience of 49 months and above = 5 points Qualified facilitator with relevant experience of 37 to 48 months = 4 points Qualified facilitator with relevant experience of 25 to 36 months = 3 points Qualified facilitator with relevant experience of 13 to 24 months = 2 points Qualified facilitator with relevant experience of 1 day to 12 months = 1 point Did not provide any of the above listed items = 0 point</p>	25
<p>B. Prospective bidders must have a relevantly CETA registered assessor for the qualification with relevant experience: (curriculum vitae and proof of registration must be attached)</p> <p>Registered assessor with relevant experience of 49 months and above = 5 points Registered assessor with relevant experience of 37 to 48 months = 4 points Registered assessor with relevant experience of 25 to 36 months = 3 points Registered assessor with relevant experience of 13 to 24 months = 2 points Registered assessor with relevant experience of 1 day to 12 months = 1 point Did not provide any of the above listed items = 0 point</p>	25
<p>C. Prospective bidders must have a relevantly CETA registered moderator for the qualification with relevant experience: (curriculum vitae and proof of registration must be attached)</p> <p>Registered moderator with relevant experience of 49 months and above = 5 points Registered moderator with relevant experience of 37 to 48 months = 4 points</p>	25

<p>Registered moderator with relevant experience of 25 to 36 months = 3 points</p> <p>Registered moderator with relevant experience of 13 to 24 months relevant experience = 2 points</p> <p>Registered moderator with relevant experience of 1 day to 12 months = 1 point</p> <p>Did not provide any of the above listed items = 0 point</p>	
<p>D. Prospective bidders must submit a detailed training plan which includes all comprehensive training methodology (The training methodology includes the following 7 steps: 1. Diagnostic Assessment, 2. Registration of Learners; 3. Theory and Practical; 4. Workplace; 5. Assessment; 6. Moderation; and 7. Certification)</p> <p>Detailed training plan including training methodology with 7 steps = 5 points</p> <p>Detailed training plan including training methodology with 6 steps = 4 points</p> <p>Detailed training plan including training methodology with 5 steps = 3 points</p> <p>Detailed training plan including training methodology with 3 to 4 steps = 2 points</p> <p>Detailed training plan including training methodology with 1 to 2 steps = 1 point</p> <p>Did not provide any of the above listed items = 0 point</p>	15
<p>E. Prospective bidders must submit the details of the Project Manager with experience in project management: (curriculum vitae must be attached)</p> <p>Project Manager with relevant experience of 49 months and above in project management = 5 points</p> <p>Project Manager with relevant experience of 37 to 48 months in project management = 4 points</p> <p>Project Manager with relevant experience of 25 to 36 months in project management = 3 points</p> <p>Project Manager with relevant experience of 13 to 24 months in project management = 2 points</p> <p>Project Manager with relevant experience of 1 day to 12 months in project management = 1 point</p>	10

Did not provide any of the above listed items = 0 point	
---	--

NB: Bidders must obtain a minimum functionality score of 60% to qualify for further evaluation.

5.3. Price and preference

All bids received will be evaluated for price and preference in line with the applicable procurement prescripts and the departmental procedures.

All bids must be submitted in line with the bidder's applicable VAT status using the prescribed pricing structure attached (**Annexure A**)

NB: Prospective Bidders must ensure compliance to the attached VAT regulation.

6 CONDITIONS OF SERVICE (AFTER APPOINTMENT/AWARD):

The appointed Training Provider will be required to:

Complete the NSF "Learning readiness questionnaire" (to be provided before signing the SLA) to verify Covid-19 responsiveness in terms of PPE, training facilities, and personnel. Based on the questionnaire information, the NSF must endorse the readiness and the SLA will be signed with the awarded provider.

All Covid PPE's must be costed in line with National Treasury guidelines for COVID PPE rates provided (Annexure B). The bidders should ensure compliance to local content and production for provision of these equipment, PPE's and consumables.

Sign the SLA with DPWI for **Eighteen (18) months** for the successful completion of the training i.e. **Twelve (12) months** for training and completion

the learnership and **six (6) months** buffer period for, amongst others, administrative work with the SETAs or DPWI before and after training. Any work implemented after the contract duration without prior approval by DPWI, will not be paid for.

A compulsory logistics meeting with the appointed training provider and all stakeholders will be coordinate by DPWI before training commences. This is to clarify, agree, and finalize all implementation issues.

The project implementation plan with the schedule indicating clear timelines, and deliverables will be agreed upon & approved by DPWI before the commencement of the training.

No advance payment will be made for the execution of this project. All payments will be made based on satisfactory services rendered, as stipulated in paragraph 7 below.

The EPWP project sites, will, if deemed suitable, be used for workplace learning. Therefore the training provider should not claim for workplace facilities but should claim workplace coordination and support.

The appointed training providers will sign the General Conditions of Contracting (GCC- 2010) the contract Form (DPW- 04.2) and other delivery agreements and Annexures.

7. PRICING AND PAYMENT STRUCTURE

7.1. Submission of bids

The bids should be submitted by providers as follows:

- All bid documents must be signed by the company representative nominated on the PA-15.1 form of the Bid Document.

- Bids must be submitted in the prescribed format of the pricing structure template attached which also covers Covid-19 PPE. Any bid submitted in a different format may be disqualified as it is a responsive criterion. Training providers should familiarise themselves with the explanatory notes per item of the pricing structure to ensure that the bids are accurately compiled and submitted.
- Training providers must ensure that the rates are market-related in line with applicable SETA prescripts.
- All Covid PPE's must be costed in line with National Treasury guidelines for COVID PPE rates provided (Annexure B). The bidders should ensure compliance to local content and production for provision of these equipment and consumables.
- All the one-day activities should be priced on a once off basis (not daily rate) e.g. overheads, moderation, certification, etc.
- The learner allowance rates should be as per the applicable SETA rates.
- Training providers should submit bids in line with their applicable VAT status using the pricing structure template attached.
- Bids must be submitted as per the set supply chain management timelines, any bids received after the deadline will not be considered by DPWI.

7.2. Payments structure:

All payments are performance-based.

No advance payment will be made for the execution of this project. All payments will be made based on satisfactory services rendered, as stipulated in paragraph 7.3 below. No performance and learner's attendance, no payment.

The Training Provider shall provide the Department with originally signed invoices with support documents, as per the pricing structure and drawdowns below:

1st invoice: Payable upon securing an ETQA or SETA and Covid-19 compliant classroom, theoretical and practical training conducted, compliant PPE supplied to each learner (training-related and Covid-19 related PPE) as well as learner allowance paid out. Support documents include:

- A DPWI signed due diligence report endorsing the paid venue secured and or proof of payment thereof.
- The DPWI approved implementation plan.
- Proof of learners' registration on the ETQA database/any ETQA acceptable format.
- Originally certified copy of the learners' South African IDs.
- Monitoring report for theory signed by EPWP official.
- Training provider's report for satisfactory theory conducted.
- Register signed by each learner for each day attended.
- Proof of learner allowance paid for theory component.
- Proof of compliant PPE issued to each learner (Training related PPE and Covid-19 PPE as outlined in the due diligence report and the pricing structure) - PPE register should be signed by each learner upon receipt thereof.
- Individual learners' diagnostic assessment report (where applicable).

No payment will be made for overhead items and venue which have been offered for free to the provider by any government institution or department or project. Any payable overhead and venue must be supported by the verification report from the Regional EPWP Manager confirming such delivery as satisfactory and duly payable to the provider.

2nd invoice: Payable upon successful and satisfactory completion of the workplace learning and coordination. Support documents include:

- Provider's report for satisfactory workplace conducted including Individual learners progress.
- Register signed by each learner for each day attended.
- The monitoring report by the EPWP official/EPWP Project Manager.

3rd invoice: Payable upon successful completion of summative assessment and internal moderation report by the provider in line with the relevant SETA/ETQA regulations. Support documents include:

- Assessors report indicating individual learners' summative performance, and the individual learners' re-assessment reports (where applicable), the report to be endorsed by EPWP Official.
- Register signed by each learner for each day attended.
- The internal moderator's report.

4th invoice: Payable upon the certification or SETA external moderation report. Support documents include:

- Valid proof of certificates by the relevant ETQA.

NB! The invoices should be submitted as per the tranches above unless otherwise agreed with relevant parties. Any outstanding claims payable must be submitted to DPWI within **six (6) months** after completion of training unless otherwise agreed between the parties. Failure to submit within the set timeframes may result in the forfeiture of the due outstanding claims.

Invoices for learner allowances: The allowance should be paid in line with the applicable SETA rates (Weekly pay outs unless otherwise agreed by all parties). Proof of electronic payment to each learner for each day attended, or proof of manual payment signed by each learner, as per paragraph 7.3 below.

Invoices for learners allowances should be submitted after each weekly pay-out made unless otherwise agreed by all parties. This should be accompanied by proof of electronic payment to each learner for each day attended, or proof of manual payment signed by each learner, as per paragraph 7.3 below.

Invoice for equipment and consumables: Payable per learner as per the approved bid upon supply of adequate, relevant, and compliant consumables including protective clothing and equipment during theory training as per the relevant SETA or ETQA and Covid-19 and local content and production prescripts. The PPE register signed by each learner upon receipt of such should be attached to the invoice for overheads, PPE, equipment, etc.

All consumables should remain with the project or learners upon completion of training, whilst equipment should be provided on a lease-basis as per the duration and the applicable activities of the course.

7.3. Payment of training providers for learners' allowances paid

The learner allowance is payable by the appointed provider to the learners, from the NSF grant approved by DHET. This allowance is, to assist learners with their daily meals and transport to attend the training. The appointed training provider has to pay learner stipend at the applicable SETA minimum rates and claim from the Department with all supporting documents attached to the invoice.

No advance payment will be made to the training provider for the learner stipend. The training provider may claim weekly or otherwise for the paid out stipend. The rate may vary due to a review of the SETA regulated rates. The provider should pay the revised learner allowance rate and claim from the Department in line with the changed rates. Any deviation from the rate discrepancy shall remain the responsibility of the provider.

The learner allowance will be paid by the appointed provider at the end of each training week unless otherwise agreed by the parties and will be claimed

from DPWI upon receipt of proof of such payment and all supporting documents i.e. daily attendance register signed by learners, learner allowance register signed by each learner for allowances received, an originally certified copy of the 13 digit bar-coded identity documents, and proof of the providers electronic or manual weekly pay-out of the allowance.

An additional 10% of the overall learners' allowances paid out to learners during training will be payable to the provider for administering the allowances on behalf of the Department.

8. COMMUNICATION AND RECORDS

- Written project progress reports shall be submitted by the training provider to DPWI as per the signed contract.
- EPWP Training officials will monitor and report progress made by both learners and the training provider.
- The contracted provider should ensure active participation and quality assurance by the relevant ETQA throughout the training.
- A consolidated final closeout report shall be submitted by the training provider at the end of the project.
- All records related to training should be kept in a lockable safe for a period of five years in line with the NSF prescripts.

9. ENQUIRIES

Due to Covid-19 precautionary measures to be observed, there will be a virtual none compulsory briefing session.

Any technical inquiries should be made with:

Project Manager: Tsholofelo Poee

Department of Public Works and Infrastructure

Tel: 012 492 3082 or 078 457 6763

Email: tsholofelo.poee@dpw.gov.za

Project Administrator: Kopano Mapheto
Department of Public Works and Infrastructure
Tel: 012 492 3254 Email: kopano.mapheto@dpw.gov.za

Any SCM related inquiries should be made with:

SCM Administrator: Ms. Phuti Mahlanya
Department of Public Works and Infrastructure
Tel: 012 406 1658 Email: phuti.mahlanya@dpw.gov.za

PRICING STRUCTURE: LEARNERSHIPS (ANNEXURE A)

TRAINING PROVIDER'S BUSINESS NAME:					
PROJECT NAME: GKM CULTURAL VILLAGE			PROVINCE: KWAZULU-NATAL		
NUMBER TO BE TRAINED: 25					
LEARNERSHIP TITLE: NC: COMMUNITY HOUSE BUILDING			QUALIFICATION ID: 24273		
NQF LEVEL: 2			ETQA: CETA		
TRAINING COSTS					
	ITEMS AND EXPLANATORY NOTES	(A) COST PER PERSON PER DAY	B DURATION	C TOTAL NO. TO BE TRAINED	(D) TOTAL COST FOR ALL LEARNERS = (A x B x C)
1	Training Venue: A SETA and Covid-19 compliant classroom for 30% duration only. The training venue must be within 2,5 kilometre radius, but not exceed 5 kilometres radius from the EPWP project site for learners' access. The classroom must comply with ETQA classroom ratios and allow for a minimum of 1,5 meter of social distancing between the learners. No additional costs to DPWI and learners for venue above 5 kilometre walkable distance. Once off cost.		Insert a once off rate at column D for the duration of theory/practicals		R
2	Theory + off the job facilitation cost: For 30% of the 12 months course duration i.e. 4 months/80 days). Calculate the costs per person per day x duration x total to be trained = Total costs (D).	R	60 Days	25	R
3	Workplace learning/ Workplace coordination: Only 70% of the 12 months course duration i.e. 8 months. Rate for 1 site visit per week for the workplace duration of 8 months (32 weekly visits). Calculate cost per person per day (A) x Visits (B) = Total costs (D).	R	32 Weekly Site Visits	DON'T FILL HERE	R
4	Assessment: For all required assessments as per SETA prescripts. (Once off rate per learner). Calculate costs per person per day (A) x days (B) x total to be trained (C) = Total costs at D.	R	1	25	R
5	Moderation: Minimum 10% of total learners per SETA Regulation for internal moderation (Once off rate per learner). Calculate costs per person per day (A) x days (B) x total to be trained (C) = Total costs (D).	R	1	3	R
6	Certification: For printing attendance or competency certificates per person. (Once off rate per learner). Calculate costs per person per day (A) x days (B) x total to be trained (C) = Total cost (D).	R	1	25	R
7	Overheads Costs (training related PPE, transport for staff, administrative costs, consumables and equipment): The equipment costs should be on a lease basis. No accommodation for staff/ learners is payable by DPWI. Calculate costs per person per day (A) x total to be trained (C) = Total costs (D). Once off cost per learner	R	DON'T FILL HERE	25	R
Subtotal 1	Subtotal for training costs (Add amounts at item 1, 2, 3, 4, 5, 6 & 7 above).	DO NOT FILL HERE			R
COVID-19 PPE (PERSONAL PROTECTIVE EQUIPMENT)					
	ITEMS AND EXPLANATORY NOTES	COST PER PERSON PER DAY/ WEEK/ MONTH	DURATION (PER DAY/ WEEK/ MONTH)	QUANTITY	TOTAL COST FOR ALL LEARNERS = (A x B x C)
8	Cloth facial masks (woven, 3 layered with the inner layer non-woven), 2 coloured, washable, proper snugly fit. Calculate 2 pairs per learner per month for the course duration- theory and workplace. Remains with learners at the end of the training. National Treasury Rates have been inserted, just calculate the once off costs per class.	R 25.00	Once off	2 (Two) once off masks per learner for the entire course duration	
9	Hand sanitizer 70% alcohol, 1 litre sanitizer in a spray bottle per day for 240 days, administered at the entrance and exit points. National Treasury Rates have been inserted, just calculate the once off costs per class.	R 79.00	Once off	1 (One) once off 100 litres bottle per class for the course duration).	R

10	Hand liquid Soap (One 1 litre soap per week placed in the toilet. For 48 weeks of the 12 months. Calculate the once off costs per class. National Treasury Rates have been inserted.	R	79.80	Once off	1 (One) once off 100 litres bottle per class for the course duration).	R
11	Infrared Thermometer: (Administered at entrance and exits). One functional compliant infrared thermometer per class for the entire course duration. To be charged on a lease basis i.e. provider takes back at the end of the training. National Treasury Rates have been inserted, just calculate the once off costs per class.	R	992.00	Once off	1 (One) once off functional infrared thermometer for the entire duration of training).	R
12	Hand paper towel (disposable): 1 roll per week for 48 weeks of the 12 months duration. Calculate the market related cost of one roll (A) x 48 weeks (B) = Total costs (D)	R		48 weeks of the 12 Months	1 (One) roll per class per week for the 9 months course duration).	R
Subtotal 2	Subtotal for COVID-19 PPE (Add amounts at item 8, 9, 10, 11 & 12 above).	DO NOT FILL HERE				R
LEARNERS ALLOWANCES						
13	Learners Allowances: Per person per training day (Daily) during theory and workplace training (Non-VAT). The monthly SETA regulated learner allowance amount to be divided by the number of training days to determine a daily rate at column A. The daily rate (A) will then be multiplied by the number of monthly training days (B) and the number of learners (C) to determine the total costs (D).	R	125.00	240	25	R 750 000.00
14	Learners allowance administration cost: 10% of the total allowances- at item 13 above.	DO NOT FILL HERE				R 75 000.00
Subtotal 3	Subtotal for item 13 & 14 above.	DO NOT FILL HERE				R
VAT	VAT (For VAT vendors only): 15% of items above except item 13 (Learner Allowance).	DO NOT FILL HERE				R
GRAND TOTAL	GRAND TOTAL (Add amounts for subtotal 1, 2 & 3 plus VAT (For VAT vendors only) = Overall cost at column D. (To be carried to PA 32 Form)	DO NOT FILL HERE				R
The training venue must be within 2, 5 kilometre, but not exceed 5 kilometre from the EPWP project sites for learners to be able to attend classes. Therefore no additional transport and accommodation costs for learners should be charged. Providers must ensure that the pricing structure is signed by the relevant signatory						
PROVIDER SIGNATURE:			DATE:			

ANNEXURE B



ANNEXURE A

COVID-19 PERSONAL PROTECTIVE EQUIPMENT PRICE LIST

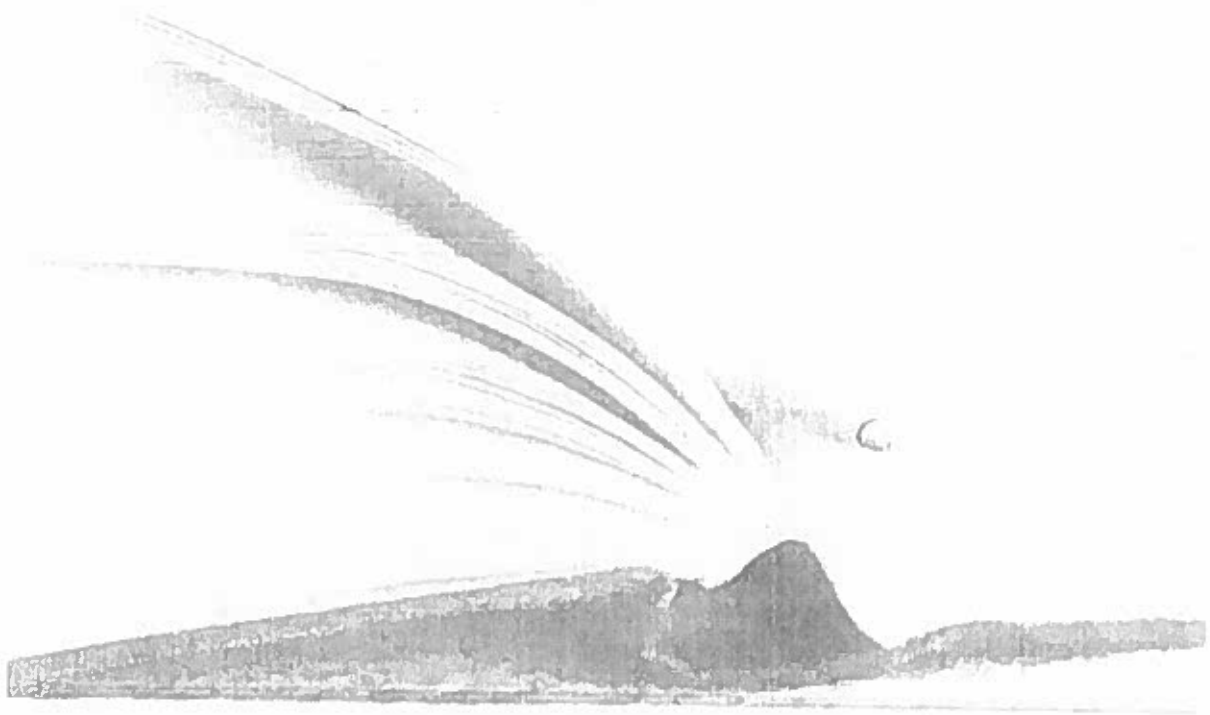
Prices as from:

3 JULY 2020

Product	Product description	WHO standards / description	Pack size		UnR Price per single item (incl. VAT)	Price per UnR of Measure (incl. VAT)
Surgical Mask - Patient	Mask, face, aseptic. Fluid Resistant, Molded, Blue (3 PLY), good breathability, internal and external faces should be clearly identified Type I, with ear loops or tie on	- EN 14683 any type including Type I - ASTM F2100 minimum level 1 or equivalent	Box of 50 pieces	↓	R11.50 per mask	R575.00 per box of 50 pieces
Surgical Mask - Health Care Worker	Mask, face, aseptic. Fluid Resistant, Molded, Blue (3 PLY), good breathability, internal and external faces should be clearly identified Type II or higher, with ear loops or tie on	- EU MDD Directive 93/42/EEC Category III or equivalent - EN 14683 Type II, III, IIIIR - ASTM F2100 minimum level 1 or equivalent	Box of 50 pieces	↓	R15.50 per mask	R775.00 per box of 50 pieces
Mask Respirator	N95 or FFP2 Mask Respirator / Dust Mask, or higher Good breathability with design that does not collapse against the mouth (e.g. duckbill, cup-shaped)	- Minimum "N95" respirator according to FDA Class II, under 21 CFR 878.4040, and CDC NIOSH, or - Minimum "FFP2" according to EN 149, EU PPE Regulation 2016/425 Category III, or equivalent	Box of 10 Pieces	↑	R42.90 per mask	R429.00 per box of 10 pieces
Apron	Straight apron with bib. Fabric: 100% polyester with PVC coating, or 100% PVC, or 100% rubber, or other fluid resistant coated material. Waterproof, sewn strap for neck and back fastening. Minimum basis weight: 300 g/m ² . Covering size: 70 - 90 cm (width) x 120 - 150 cm (height). Reusable (provided appropriate arrangements for decontamination are in place)	- EN ISO 13688 - EN 14126-B and partial protection (EN 13034 or EN 14605) - EN 343 for water and breathability or equivalent	Box of 100 Pieces	↓	R1.90 per Apron	R190.00 per box of 100 Apron
Eye Protection	Goggles Good seal with the skin of the face, flexible PVC frame to easily fit with all face contours with even pressure, enclose eyes and the surrounding areas, accommodate wearers with prescription glasses, clear plastic lens with fog and scratch resistant treatments, adjustable band to secure firmly so as not to become loose during clinical activity, indirect venting to avoid fogging. May be re-usable (provided appropriate arrangements for decontamination are in place) or disposable.	- EU PPE Regulation 2016/425 - EN 166 - ANSI/ISEA Z87.1 or equivalent	Each	↓	R71.25 per each	R71.25 per each
Visor / Face Shield	Made of clear plastic and providing good visibility to both the wearer and the patient. Adjustable band to attach firmly around the head and fit snugly against the forehead, fog resistant (preferable). Completely cover the sides and length of the face. May be re-usable (made of robust material which can be cleaned and disinfected) or disposable.	- EU PPE Regulation 2016/425 - EN 166 - ANSI/ISEA Z87.1 or equivalent	Each	↓	R69.00 per each	R69.00 per each
Gowns	Isolation gown Protective 3-layer of spunbond meltblown spunbound fabric (Top layer of spunbound polypropylene, a middle layer of meltblown polypropylene and a bottom layer of meltblown polypropylene for light fluid contact and contact isolation, elastic cuff, Tape-tab neck closure, Tie waist, Non Sterile Dimensions: Large Length: (from shoulder to hem) 116cm Sleeve length: (from shoulder to wrist) 56cm Belt length: 167cm, Belt Width: 5cm, Belt place: (neck to top of belt) 38cm	- EU PPE Regulation 2016/425 and EU MDD Directive 93/42/EEC - FDA Class I or II medical device, or equivalent - EN 13795 any performance level, or - AAMI PB70 all levels acceptable, or equivalent	Each	↑	R119.00 per each	R119.00 per each
Gowns	Gown, surgical, non woven polypropylene body+ 54g/m sleeves + 66g/m. Long sleeves with cuffs. Reinforced in chest and forearm areas. Resistant to liquid penetration. Lint free, non flammable, Bacteria barrier efficiency, to comply with SAN5 53795, Compliance certificate to be submitted, Sterile, individual double peel packed	- EU PPE Regulation 2016/425 and EU MDD Directive 93/42/EEC - FDA Class I or II medical device, or equivalent - EN 13795 any performance level, or - AAMI PB70 all levels acceptable, or equivalent	Each	↓	R120.00 per each	R120.00 per each
Coveralls	Protective cover bodysuits, disposable MEDIUM, LARGE, X-LARGE, XX-LARGE, 3X LARGE	Tunic/tops, woven, scrubs, reusable or single use, short sleeved (tunic/tops), worn underneath the coveralls or gown. Trousers/pants, woven, scrubs, reusable or single use, worn underneath the coveralls or gown	Each	↓	R149.00 per coverall	R149.00 per coverall
Boot Covers	Overshoe, non-woven, single use. To be made from durable, water-repellent, opaque material Seam free under sole. Elasticated opening. Suitable for all size shoes		Box of 100 pieces	↔	R1.30 per one boot cover	R130.00 per box of 100 pieces
Digital Thermometer	Digital Body Thermometer INFRARED NON CONTACT		Each	↓	R99.00 per each	R99.00 per each
Sanitisers and Disinfectants	Sanitizer, with not less than 70% alcohol must comply to WHO-recommended handrub formulations		Litre	↓	R19.80 per litre	R19.80 per litre
Biohazard bags	Bright red colour PP bags are easy to open and are used to dispose used Micro tips, Tubes and other plastic products.	Disposal bag for bio-hazardous waste. 30x50cm, with "Bio Hazard" print, autoclavable polypropylene. 50 or 70 micron thickness	Each	↔	R1.30 each	R1.30 each

Product	Product description	WHO standards / description	Pack size		Unit Price per single item (incl. VAT)	Price per Unit of Measure (incl. VAT)
Body Bags	Manufactured from 280 micron reinforced PVC, both ends are stitched and sealed to prevent any leakage. There must be 3 handles on each side with a full length curved zip, all handles must be box stitched using Polycotton Corespun Polished 36 Tex thread, and box stitching dimensions are all 4cm x 3cm. The dimensions are as follows: Length: 2.4 METERS Width: 1 METER, Zip: 1.8 METERS. Sizes: (Child, Small, Medium, Large, Extra-large)		Each	↑	R575.00 per bag	R575.00 per bag
Examination Gloves, non-sterile	Gloves, examination, nitrile, powder-free, non-sterile, single-use. Gloves should have long cuffs, reaching well above the wrist, ideally to mid-forearm. Sizes: small, medium, large.	<ul style="list-style-type: none"> • EU MDD Directive 93/42/EEC Category III • EU PPE Regulation 2016/425 Category III • EN 455 • EN 374 • ANSI/ISEA 105. • ASTM D6319, or equivalent 	Box of 100 gloves	↑	R 1.75 per single glove	R175.00 per box of 100 pieces
Gloves, examination or surgical, sterile	Gloves - surgical or examination - nitrile, powder-free, sterile, single-use. Gloves should have long cuffs, reaching well above the wrist, ideally to mid-forearm. Sizes: small, medium, large	<ul style="list-style-type: none"> • EU MDD Directive 93/42/EEC Category III. • EU PPE Regulation 2016/425 Category III. • EN 455. • ANSI/ISEA 105. • ASTM D6319 or equivalent 	Box of 100 gloves	↑	R8.25 per single glove	R825.00 per box of 100 pieces
Cloth Mask	Mask - 2 layers of fabric (As per the DTIC guidelines & Specifications)		Each	↔	R20.00 per each	R20.00 per each
	Mask - 3 layers of fabric (As per the DTIC guidelines & Specifications)		Each	↔	R25.00 per each	R25.00 per each

Approved Project Details				Municipality Demarcation				Learnership Registration Details					
Provinces		EPWPRS Project Details		Sectors		Project Timelines		SETA's					
Date Approved	Province	Project Name	EPWPRS Project ID	Sector Name	Project Start Date	Project End Date	District Municipality	Local Municipality	Main Town	SETA Name	Learnership Registration with DHET	Learnership Registration Number	Learnership Registered Title
Sep-19	KwaZulu-Natal	GKM Cultural Village	92126	Infrastructure	01-07-2019	31-12-2021	Harry Gwala	Greater Kokstad	Greater Kokstad Municipality	CETA	Registered	05050062251312	National Certificate Community House Building



Legal Counsel

Value-Added Tax

VAT 404
Guide for Vendors

 **SARS**

10 Important principles

1. All prices charged, advertised or quoted by a vendor must include VAT at the applicable rate (currently 15% for standard-rated supplies).
 2. Vendors are charged with the responsibility of levying VAT and paying it over to the State after deducting permissible VAT inputs and other deductions – please make sure that you pay it over on time, otherwise penalties and interest will be charged.
 3. VAT charged on supplies made (output tax) less VAT paid to your suppliers (input tax) and other permissible deductions = the amount of VAT payable/refundable.
 4. You need to be in possession of documentary proof prescribed by or which is acceptable to the Commissioner to substantiate any input tax and/or other permissible deductions which you want to make. You must also keep records of all your documentary proof and other records of transactions for at least five years.
 5. Goods exported to clients in an export country (any country outside of the Republic) may be charged with VAT at 0%. However, if delivery takes place in the Republic, you must charge VAT at the standard rate to your client, unless the goods are supplied under Sections A and B of Part Two of the Export Regulations which allow the zero rate to be applied, subject to certain requirements, at the discretion of the supplier. This discretion may only be applied when the goods are to be exported via road or rail or are delivered to a harbour or an airport from where the goods will be exported. Should VAT be charged at the standard rate and your client is a vendor, your client may deduct the VAT charged as input tax. Should your client not be a vendor, and the goods are subsequently removed from the Republic, a claim for a refund of the VAT may be submitted to the VAT Refund Administrator (the VRA), subject to certain requirements being met.
 6. You may not register for VAT if you only make exempt supplies. If you are registered, you may not deduct any VAT charged on goods or services acquired to make exempt supplies or for private use or other non-taxable purposes. Also, as a general rule, any VAT incurred to acquire a motor car or goods or services acquired for purposes of entertainment may not be deducted, even if used for making taxable supplies.
 7. You are required to advise the South African Revenue Service (SARS) within 21 days of any changes in your registered particulars, including any change in your representative, business address, banking details, trading name or if you cease trading.
 8. If you have underpaid VAT as a result of a mistake, report it to SARS as soon as possible, rather than leaving it for the SARS auditors to detect. You can make a request for correction on eFiling if you file your returns electronically. Otherwise, go to your nearest SARS office.
 9. You can pay your VAT electronically by using eFiling or by making an electronic funds transfer (EFT) through internet banking. You may also pay at certain banks.
 10. Report fraudulent activities to SARS by calling the Fraud and Anti-Corruption Hotline on 0800 00 28 70. You may report an incident anonymously if you wish.
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Preface

The VAT 404 is a basic guide where technical and legal terminology has been avoided wherever possible. Although fairly comprehensive, the guide does not deal with all the legal detail associated with VAT and is not intended for legal reference.

All references to sections hereinafter are to sections of the Value-Added Tax Act 89 of 1991 (VAT Act), unless the context indicates otherwise. The Tax Administration Act 28 of 2011, the Income Tax Act 58 of 1962 and the Customs and Excise Act 91 of 1964 are referred to as the "TA Act", "Income Tax Act" and "Customs and Excise Act" respectively. The terms "Republic", "South Africa" or the abbreviation "RSA", are used interchangeably in this document as a reference to the sovereign territory of the Republic of South Africa, as set out in the definition of "Republic" in section 1(1). You will also find a number of specific terms used throughout the guide which are defined in the VAT Act and the TA Act listed in the *Glossary* in a simplified form for easy reference.

The information in this guide is based on the VAT Act and the TA Act as at the time of publishing and includes the amendments contained in the Taxation Laws Amendment Act 23 of 2018, the Tax Administration Laws Amendment Act 22 of 2018 and the Rates and Monetary Amounts and Amendment of Revenue Laws Act 21 of 2018. These Acts were all promulgated on 17 January 2018 as per *Government Gazettes* 42172, 42169 and 42171 respectively.

Some of the more important amendments that have been introduced since the previous issue of this guide are discussed briefly below.

Amendments that came into effect from 19 January 2017:

- *Alignment of tax charging provisions* – Section 7(4) was introduced to align with similar provisions in other tax Acts. It provides that the Minister of Finance, when tabling the annual national budget, may announce an increase or decrease in the standard rate of VAT with effect from a date specified in that announcement. The VAT Act must be amended within 12 months of that announcement to reflect the new VAT rate. Section 77, which previously allowed the Minister to announce an increase or decrease in the rate of VAT at any time by public notice, has now been repealed.
- *Documentary proof to substantiate input tax and other deductions* – Section 16(2)(g) was originally introduced as a relief mechanism for vendors to claim input tax or other deductions in certain circumstances if they were unable to obtain the prescribed documentation. See Binding General Ruling (BGR) 36 "Circumstances Prescribed by the Commissioner for the application of Section 16(2)(g)" for further details in this regard. Vendors seeking access to the relief under this provision must now be in possession of a ruling issued by SARS before the deduction can be made on a return. The ruling will also specify the alternative documentary proof that must be held by the vendor to substantiate that particular deduction. This provision may only be used by a vendor as a measure of last resort after all attempts to obtain the required documentation have been failed.
- *Exemption for VAT on importation – vis major* – No customs duty or excise duty is payable under the Customs and Excise Act when certain goods are imported under rebate item 412.09 (goods subsequently lost, destroyed or damaged as a result of *vis major* whilst such goods are under the control of the Commissioner). The VAT Act has been amended so that it now provides an exemption for the VAT on importation of such goods under paragraph 8 of Schedule 1 to mirror the circumstances mentioned in rebate item 412.09.

Amendments that came into effect from 1 April 2017:

- *Notional input tax on goods containing gold* – The definition of “second-hand goods” was amended to deal with some unintended negative effects on legitimate traders in second-hand gold as a result of amendments to the definition in 2015. The effect of this amendment was explained in some detail in *VAT Connect Issue 7 (December 2017)* and BGR 43 “Deduction of Input Tax in respect of Second-hand Gold”.
- *Accounting basis for municipal entities* – Previously, section 15(2A) only allowed municipalities that account for VAT on the payments basis to be relieved of the obligation to account for the full output tax when the consideration for a supply is R100 000 or more. Section 15(2A) has now been amended to allow certain municipal entities to have access to the same relief as municipalities under this provision.
- *Industrial development zones (IDZs) and special economic zones (SEZs)* – The VAT Act makes provision for certain benefits for vendors operating in a customs controlled area of an IDZ designated by the minister in the Department of Trade and Industry (DTI) as per the IDZ programme. The DTI subsequently developed the SEZ programme which replaced the IDZ programme with effect from 9 February 2016. Various textual amendments were therefore made to the VAT Act to achieve a seamless transition from the IDZ programme to the SEZ programme.
- *Low cost housing* – In terms of amendments in 2015, sections 8(23) and 11(2)(s), which deemed certain supplies of low cost housing to be made to the Department of Human Settlements at the zero-rating, were deleted with effect from 1 April 2017. These provisions were, however, re-introduced retrospectively from 1 April 2017, thereby postponing the deletion for a further two years.
- *Supplies made by municipalities as a result of municipal boundary changes* – Certain municipalities merged or disbanded as a result of the local government elections held during 2016. The effect was that some municipalities had to either cancel their VAT registrations or apply for new registrations. In that process, certain supplies between municipalities would have been made. Section 8(28) was therefore introduced to deem the affected municipalities to be one and the same person in certain circumstances so that there would be no supply between them for VAT purposes. Transitional measures explained in BGR 39 (Issue 2) “VAT Treatment of Municipalities Affected by Changes to Municipal Boundaries” were introduced to deal with these issues before section 8(28) was introduced.

Amendments that came into effect from 1 April 2018:

- *Increased VAT rate* – The most significant change in 2018 was the increase in the standard rate of VAT from 14% to 15%. For more detailed information on the VAT rate increase, see the *Frequently Asked Questions: Increase in the VAT rate (FAQs)* and *Pocket Guide on the VAT Rate Increase on 1 April 2018* on the SARS website. A later amendment also provides that the Minister of Finance must evaluate the impact of the VAT rate increase on revenue collection and the poor and then table a report in that regard in Parliament by no later than 30 June 2021.
- *International travel insurance* – section 11(2)(d) provides for the zero rate to apply to services that comprise the insuring or arranging of insurance in respect of international transportation of passengers or goods. The scope of the zero-rating was extended to include situations where the insured person is being transported to and from the original point of departure and when the insured is out of the country, but not actually travelling. Certain new definitions have also been introduced in consequence of this amendment. For more information see BGR 37 “VAT Treatment of International Travel Insurance”.

- *Leasehold Improvements* – Sections 8(29), 9(12), 10(28) and 18C have been introduced to deal with the VAT implications of leasehold improvements. In terms of these amendments, the lessee is deemed to make a supply of the leasehold improvements to the lessor at a nil value at the time that the improvements are completed. At the same time, the lessor will be required to make an output tax adjustment on the value of the improvements stipulated in the lease, or if no value is stipulated, the open market value thereof. The lessor will, however, not be required to make the adjustment if the leasehold improvements were acquired wholly for taxable purposes.

Amendments that came into effect from 16 January 2019:

- *Correcting of material errors on tax invoices* – Section 20(1B) has been inserted to deal with a situation where a material error or deficiency on a document purporting to be a valid tax invoice prevents the recipient from being able to deduct input tax because the document lacks the essential requirements of a tax invoice as contemplated in section 20(4) or 20(5). (This does not apply to any errors concerning the consideration that needs to be corrected by way of debit or credit note). In such a case, the supplier must correct the document within 21 days from the date of the request by the recipient and only then may the recipient deduct input tax. The supplier must obtain and retain sufficient information to identify the transaction concerned. The correction of the tax invoice does not create another tax event for the parties, nor does it change the original time of supply.
- *Goods returned after transfer of a going concern* – Section 21(1)(d) now provides that when goods are subsequently returned to a vendor by a customer of the previous owner of the business, and the business concerned was acquired by the new owner as a going concern, then that new owner is deemed to have made the supply concerned. This allows the current owner to issue the required credit note to the customer and to claim a corresponding input tax adjustment, regardless of whether the supply was made to the customer by the current or previous owner.
- *Prescription period for VAT overpaid* – Section 44(11) has been inserted to clarify that any erroneous overpayment of VAT by a vendor prescribes after a period of five years from the date that the overpayment was made to SARS if that vendor does not lodge a refund claim for that overpayment during that period. In addition, any such refund claim is not regarded as being received if the enterprise's banking details have not been provided to SARS within 90 days after submitting the claim.
- *Recovery of tax in respect of branches and divisions* – SARS may allow a vendor (single legal entity) to register separately for VAT in respect of any businesses carried on in the form of branches or divisions, in which case, each separate registration is regarded as a separate person for VAT purposes. Section 50 has now been amended to make it clear that as the branches or divisions operate under the same legal entity as the main business, any set-off, debt equalisation or recovery provisions for VAT purposes will apply equally between the main business and any of their separately registered branches.
- *Liability of bodies of persons* – Section 51(3) was amended to provide legal certainty that all the members of an unincorporated joint venture that has registered as a vendor for VAT purposes, are jointly and severally liable for the VAT debts of the joint venture and to perform any obligations required under the VAT Act (as is the case for partnerships under that provision). This rule does not apply to a joint venture company that is incorporated as a separate legal entity.

The following amendments came into effect from 1 April 2019:

- **Electronic services** – An updated Electronic Services Regulation (ESR) as well as some consequential amendments to the VAT Act in this regard apply with effect from 1 April 2019 for non-resident suppliers of electronic services to South African customers. The effect is that the previous tax base for “electronic services” under the Electronic Services Regulations introduced from 1 June 2014 has been substantially expanded. Furthermore, proviso (vii) to the definition of “enterprise” has been added to include the activities of an “intermediary” if that person facilitates a supply of “electronic services” by a non-resident who is not registered for VAT in the Republic “Facilitates” In this context means, for example, that the electronic services are advertised, sold or otherwise made available via an online marketplace or “platform” operated by the intermediary in circumstances where the invoicing and collection of the payment for the supply is done by the intermediary. Another amendment is the introduction of section 54(2B), which deems the intermediary to be the supplier of electronic services in certain instances. The effect of these amendments is that the intermediary concerned will be liable to account for the VAT charged on supplies of electronic services if the non-resident principal is not registered for VAT. An intermediary will therefore be required to register and account for VAT if the value of their taxable supplies (including any deemed supplies under section 54(2B)) exceeds the new compulsory threshold of R1 million for suppliers of electronic services (previously R50 000). See also 2.1.5 for more information.
- **Exemption for cryptocurrency** – The issue, acquisition, collection, buying or selling or transfer of ownership of cryptocurrency is now treated as an exempt financial service under a new section 2(1)(o). Other fee based services such as a commission for facilitating the sale of cryptocurrency will not fall within the scope of the exemption. For more information in this regard, see the *Consultation Paper on Policy Proposals for Crypto Assets* as well as the related *Media Statement* issued on 16 January 2019.
- **Additional zero-rated goods** – Three more goods will be subject to VAT at the zero rate from 1 April 2019. These include sanitary towels (pads) and basic foodstuffs in the form of “cake wheat flour” and “white bread wheat flour” as defined in regulation 1 of the Regulations in terms of Government Notice R.405 published in *Government Gazette* 40828 of 5 May 2017. The list of zero-rated basic foodstuffs in Part B of Schedule 2 to the VAT Act has been amended accordingly to include the two new items. It has also been clarified that brown bread, which is listed as Item 1 on the list of basic foodstuffs, includes “whole wheat brown bread” as defined in the said Regulations.

The following guides have also been issued and may be referred to for more information relating to the specific VAT topics:

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- *Leasehold Improvements* – Sections 8(29), 9(12), 10(28) and 18C have been introduced to deal with the VAT implications of leasehold improvements. In terms of these amendments, the lessee is deemed to make a supply of the leasehold improvements to the lessor at a nil value at the time that the improvements are completed. At the same time, the lessor will be required to make an output tax adjustment on the value of the improvements stipulated in the lease, or if no value is stipulated, the open market value thereof. The lessor will, however, not be required to make the adjustment if the leasehold improvements were acquired wholly for taxable purposes.

Amendments that came into effect from 16 January 2019:

- *Correcting of material errors on tax invoices* – Section 20(1B) has been inserted to deal with a situation where a material error or deficiency on a document purporting to be a valid tax invoice prevents the recipient from being able to deduct input tax because the document lacks the essential requirements of a tax invoice as contemplated in section 20(4) or 20(5). (This does not apply to any errors concerning the consideration that needs to be corrected by way of debit or credit note). In such a case, the supplier must correct the document within 21 days from the date of the request by the recipient and only then may the recipient deduct input tax. The supplier must obtain and retain sufficient information to identify the transaction concerned. The correction of the tax invoice does not create another tax event for the parties, nor does it change the original time of supply.
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- **Exemption for cryptocurrency** – The issue, acquisition, collection, buying or selling or transfer of ownership of cryptocurrency is now treated as an exempt financial service under a new section 2(1)(o). Other fee based services such as a commission for facilitating the sale of cryptocurrency will not fall within the scope of the exemption. For more information in this regard, see the *Consultation Paper on Policy Proposals for Crypto Assets* as well as the related *Media Statement* issued on 16 January 2019.
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Chapter 1 Introduction

1.1 What is VAT?

VAT is an abbreviation for the term value-added tax. It is an indirect tax based on consumption in the economy. Revenue is raised for the government by requiring certain traders (vendors) to register and charge VAT on taxable supplies of goods or services for the benefit of the National Revenue Fund and to pay it over to the government after deducting permissible VAT inputs and other deductions.¹ SARS is a government agency which administers the VAT Act and ensures that the tax is collected and that the VAT law is properly enforced.

The generally accepted essential characteristics of a VAT type tax are as follows:

- The tax applies generally to transactions related to goods or services.
- It is proportional to the price charged for the goods or services.
- It is charged at each stage of the production and distribution process.
- The taxable person (vendor) may deduct the tax paid during the preceding stages on goods or services acquired (that is, the burden of the tax is on the final consumer).

VAT is only charged by persons who carry on an enterprise (that is vendors) on the taxable supplies made by them. Taxable supplies include supplies for which VAT is charged at either the standard rate or zero rate. See Chapters 2 and 6 for more details on registration and taxable supplies, respectively.

1.2 How does VAT work?

The South African VAT is destination based, which means that consumption of goods or services in South Africa is taxed. VAT is therefore paid on the supply of goods or services in South Africa as well as on the importation of goods into South Africa. VAT is currently levied at the standard rate of 15%² on most supplies and importations, but there is a limited range of supplies of goods or services which are either exempt, or which are subject to tax at the zero rate (for example, exports are taxed at 0% under certain circumstances). The importation of services is only subject to VAT where the services are imported for private, exempt or other non-taxable purposes. Certain imports of goods or services are exempt from VAT. See Chapters 6 and 12 for more details.

1.3 Who charges VAT?

Generally, vendors are required to charge VAT on all supplies of goods or services in South Africa, subject to certain exemptions and exceptions. A vendor is a person who is registered or is required to be registered for VAT. See Chapter 2 for more details on registration as a vendor.

Vendors have to perform certain duties and take on certain responsibilities. For example, vendors must ensure that VAT is collected on taxable transactions, returns are submitted and payments made on time, tax invoices are issued where required and that all prices advertised or quoted include VAT.

¹ See *Director of Public Prosecutions, Western Cape v Parker* (103/2014) [2014] ZASCA 223; 2015 (4) SA 28 (SCA).

² The standard rate of VAT changed from 14% to 15% with effect from 1 April 2018.

VAT is also payable on the importation of goods into South Africa, subject to certain exemptions and exceptions. The VAT on importation is payable by the importer, whether that person is a vendor or not. VAT is only payable on the importation of services by any person where those services are acquired for non-taxable purposes. See Chapter 12 for more details on the importation of goods or services.

1.4 Payment, recovery and refund of VAT

The mechanics of the VAT system are based on a subtractive or credit input method which allows the vendor to deduct the tax incurred on enterprise inputs (input tax) and other permissible deductions from the tax collected on the supplies made by the vendor (output tax). This is known as the invoice-based credit method of the consumption-type VAT. See Chapter 8 for more details.

The vendor reports to SARS at the end of every tax period on a VAT201 return, where the input tax incurred and other deductions are offset against the output tax collected for a specific tax period and the resulting net liability is paid to or net refund claimed from SARS (normally by no later than the 25th day of the first calendar month after the end of the tax period concerned). Vendors who are registered to submit their returns electronically have until the last business day of the said calendar month to submit their VAT201 together with the payment. See Chapters 3 and 10 for more details.

Late payments of VAT attract a penalty of 10% of the outstanding tax. Interest is also charged at the prescribed rate on any late payments made after the month in which the payment for the tax period concerned was due as well as any balance of taxes outstanding for past tax periods. The TA Act also imposes two types of penalties, namely, administrative non-compliance penalties (Chapter 15 of the TA Act) and understatement penalties (Chapter 16 of the TA Act). See Chapter 11 for more details.

It sometimes occurs that the result of the calculation for the tax period is a refund instead of an amount payable to SARS. This happens, for example, when a vendor incurs more VAT on expenses than the VAT due on any taxable supplies made during the tax period, or when a vendor has mainly zero-rated supplies (for example, an exporter, or a business which sells only fresh fruit and vegetables). However, most vendors will not normally be in a refund situation, and should be paying VAT to SARS at the end of each tax period. Refunds must be paid by SARS within 21 business days of receiving the correctly completed refund return, otherwise interest at the prescribed rate is payable by SARS to the vendor. However, interest is only paid if certain conditions are met as a refund may be subject to the finalisation of the verification, inspection or audit of the refund.

The fact that there are often refunds under the VAT system and that it is self-assessed, makes it tempting for vendors to overstate input tax or to understate output tax. SARS therefore places great importance on identifying high risk cases, conducting regular compliance visits and promoting a high level of visibility of auditors in the field. See Chapters 10 and 16 for more details.

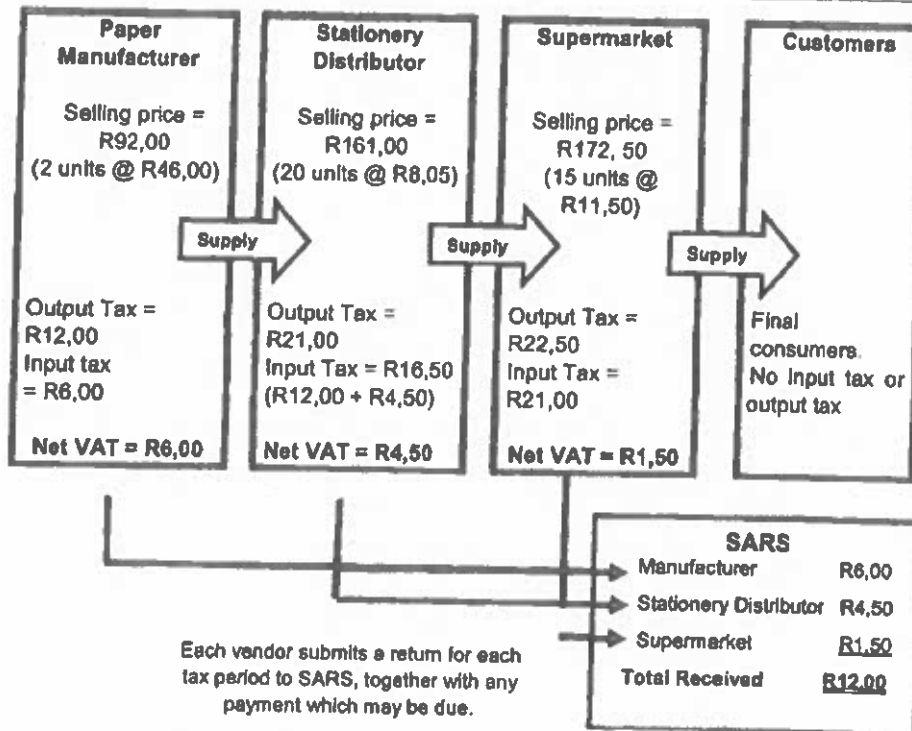
Example 1 – Mechanism of the VAT system

A VAT registered paper manufacturer sells 2 rolls of uncoated print paper sheets to a VAT registered stationery distributor for R92,00 (including VAT of R12,00). The paper manufacturer recycled waste paper for which it paid R46,00 (including VAT of R6,00) to a waste management company, to manufacture the paper rolls. The paper manufacturer must declare output tax of R12,00 ($R92,00 \times 15 / 115$) for the 2 rolls of paper sold and may deduct the VAT incurred on purchase of the recycled waste paper as input tax (that is, R6,00).

The stationery distributor also buys packaging boxes from another vendor for R34,50 (inclusive of R4,50 VAT). It cuts the paper rolls into A4 size sheets and packages them into 20 boxes of 100 sheets per box of paper and sells them to a supermarket for R8,05 each. The selling price of each box of paper includes R1,05 VAT. The stationery distributor must therefore pay output tax of R1,05 on each box sold. The stationery distributor may deduct the VAT incurred on the purchase of the paper rolls and the packaging boxes as input tax (that is, R12,00 + R4,50 = R16,50).

The supermarket sells 15 of the 20 boxes to its customers for R11,50 each (inclusive of R1,50 VAT). The supermarket must declare output tax of R1,50 on each box of paper sold. The supermarket may deduct the VAT incurred on the purchase of the boxes of paper sheets as input tax (that is, R21,00). Since the supermarket's customers are the final consumers and are not registered for VAT, there is no input tax deducted by the customers on the R1,50 VAT charged.

The effect in this example is illustrated in the diagram below.



1.5 Accounting for VAT

As VAT is an invoice-based tax, vendors are generally required to account for VAT on the invoice (accrual) basis, but the payments (cash) basis is allowed in some cases. The payments basis of accounting is only available to specified qualifying vendors and is subject to prior approval being obtained from SARS. Special rules also apply as to how certain supplies are accounted for, regardless of the accounting basis which the vendor uses to account for VAT. See Chapter 4 and 5 for more details.

1.6 Documentation

Tax invoices for supplies made, bills of entry for goods imported and the general maintenance of proper accounting records and documents are all very important aspects of how the VAT system operates. These documents form an audit trail which SARS uses to verify that the vendor has complied with the law. A tax invoice, bill of entry or other prescribed documentation, and in some exceptional circumstances, a VAT ruling from SARS confirming that certain alternative documentation held by the vendor, may also serve as documentary evidence to substantiate an input tax deduction or any other deduction made by the vendor. See Chapters 8, 9, 13 and 16 for more details.

1.7 Tax Administration Act

The TA Act was promulgated into law on 4 July 2012 and commenced on 1 October 2012, except for those provisions relating to interest stipulated in the *Schedule to Proclamation No. 51* dated 14 September 2012 (as per *Government Gazette 35687*).

With the implementation of the TA Act, certain administrative provisions previously contained in the VAT Act were replaced by similar provisions contained in the TA Act but where an administrative provision applies only to one tax type then the administrative provision is contained in the individual tax Act such as the VAT Act. A vendor must therefore adhere to the administrative requirements that are contained in the TA Act and the VAT Act.

The TA Act covers a broad range of aspects, which will be mentioned briefly throughout the guide where it concerns the specific content dealt with in a particular chapter. *Chapter 16* also deals with some of the more important aspects of the TA Act which generally apply to all taxes and which are not specifically dealt with in any other chapter of this guide. Some of the duties of a vendor that are impacted by the TA Act are registration, record-keeping, payments made to SARS and the obligation to inform SARS of changes in registered particulars to ensure that SARS has the most current information. These duties also apply to persons who have registered voluntarily as well as persons who should have registered for VAT, but who have not done so.

The administrative provisions mentioned in this guide must therefore be understood within the context of the TA Act and any public notices under that Act with regard to a tax administration issue.

See the Tax Administration webpage on the SARS website, where you can find more information on the TA Act, which includes, amongst others, the following documents:

- *The Short Guide to TA Act, 2011*; and
- Interpretation Note 68 "Provisions of the Tax Administration Act that did not Commence on 1 October 2012 under Proclamation No. 51 in *Government Gazette 35687*".

Chapter 2 Registering for VAT

2.1 Enterprise

A person can only register for VAT if that person is carrying on an enterprise. "Enterprise" is defined in section 1(1) to include any activity carried on continuously or regularly by any person in South Africa or partly in South Africa, resulting in income being earned from the supply of goods or services (that is supplied for a "consideration") to another person, whether for profit or not.

The following activities are specifically included in the definition of "enterprise", notwithstanding the general criteria for being an enterprise as discussed above:

- Anything done in connection with the commencement or termination of an enterprise.
- The supply of goods or services by a public authority which the Minister is satisfied could be supplied by another person in carrying on a continuous business activity for purposes of earning income. In that case, the public authority is not considered to be carrying on an enterprise in respect of those supplies until it is notified by the Commissioner.
- The activities of a "welfare organisation" for VAT purposes.
- The activities of a share block company where such share block company has been registered on a voluntary basis.
- The activities of a foreign donor funded project (FDFFP).
- The supply of certain electronic services by non-resident suppliers.

The following are some situations where you are not regarded as carrying on an enterprise in the Republic:

- If you only make exempt supplies (see Chapter 7 for examples).
- If you are an employee earning a salary or wage from your employer (excluding an independent contractor). Note that a non-executive director of a company is considered to be an independent contractor and not an employee.³
- When the supplies are made, for example, by a foreign branch located in another tax jurisdiction (subject to certain requirements).
- Hobbies or any private recreational pursuits not conducted in the form of a business.
- Private occasional transactions, for example, the sale of domestic/household goods, personal effects or a private motor vehicle.
- Supplying "commercial accommodation" in circumstances where the total value of those supplies made or reasonably expected to be made does not exceed R120 000 in any consecutive period of 12 months.⁴

³ See BGR 40 "Remuneration Paid to Non-Executive Directors", BGR 41 "VAT Treatment of Non-Executive Directors", *Non-Executive Directors: FAQs on BGRs 40 and 41* and the *VAT Quick Reference Guide for Non-Executive Directors* for more information.

⁴ The threshold was increased from R60 000 to R120 000 with effect from 1 April 2016.

Some specific examples of inclusions and exclusions are briefly discussed in 2.1.1 to 2.1.6 below.

2.1.1 Public authorities

The term "public authority" is defined in section 1(1) to include -

- all the national and provincial government departments listed in Schedules 1, 2 or 3 of the Public Service Act;⁵
- the entities (including subsidiaries and controlled entities thereof) listed in Parts A and C of Schedule 3 to the Public Finance Management Act⁶ (PFMA); or
- certain public entities which should be regarded as public authorities for VAT purposes.

Public authorities exist to carry out the work of national and provincial government. The supplies made by public authorities are therefore not normally of the same type or nature found in the private sector, nor are they in competition with vendors in that sector. The supplies are therefore usually made in the context of carrying out a regulatory, administrative or stewardship function of government.

In order for the supplies made by public authorities to be treated as "enterprise" activities, the public authority concerned has to be notified in that regard by the Commissioner, acting on instruction from the Minister. The Minister, in turn, has to be satisfied that the supplies (or certain of them) are of the same kind or similar to taxable supplies already being made, or which might be made by vendors in the private sector.⁷ Otherwise, the activities of public authorities are generally out-of-scope for VAT purposes and they will not be able to register for VAT. See Interpretation Note 39 "VAT Treatment of Public Authorities and Grants" for more information.

2.1.2 Activities of welfare organisations

Special provision is made in the VAT Act to regard welfare organisations as enterprises to the extent that they make supplies in the course of carrying out specific welfare activities, even if they do not charge a consideration for making those supplies.

To qualify as a welfare organisation for VAT purposes, the organisation must be an approved public benefit organisation (PBO) for income tax⁸ purposes and must also carry on one or more of the welfare activities as determined by the Minister⁹ for purposes of the VAT Act, under the following headings.

- Welfare and humanitarian
- Health care
- Land and housing
- Education and development
- Conservation, environment and animal welfare

⁵ Act 103 of 1994.

⁶ Act 1 of 1999.

⁷ Paragraph (b)(i) of the definition of "enterprise" in section 1(1).

⁸ For example, a PBO contemplated in section 30(1) of the Income Tax Act and approved by the Commissioner under section 30(3) of the said Act.

⁹ See the regulations issued under Government Notice 112 in *Government Gazette* 27235 of 11 February 2005 (the welfare activities regulations).

See the VAT 414 – *Guide for Associations not for Gain and Welfare Organisations*, Interpretation Note 39 “VAT Treatment of Public Authorities and Grants” and Interpretation Note 70 “Supplies Made for No Consideration” for more details on the VAT treatment of welfare organisations.

2.1.3 Share block companies

A “share block company” is defined as a company whose activities comprise of or include the operation of any scheme in terms of which a share in that scheme grants a right to or an interest in the use of immovable property.¹⁰ The shareholders of the share block company acquire rights to occupy specified parts of the immovable property allocated to their shares in the company. For VAT purposes, a share in a share block company is considered to be fixed property which falls within the ambit of “goods” as defined. The sale of shares in a share block company is therefore a supply of goods and a supply of fixed property for VAT purposes.¹¹

The definition of “enterprise” specifically includes the activities of any share block company (other than the exempt supply of services which are met out of levy contributions by members¹²) where that company applied for voluntary registration as a vendor and was registered as such by the Commissioner.¹³ See the VAT 412 – *Guide for Share Block Schemes* for more details on the VAT treatment of share block companies.

2.1.4 Foreign donor funded project

An FDFP is a project established as a result of an international donor funding agreement to supply goods or services to beneficiaries, to which the South African government is a party. These international agreements are referred to as Official Development Assistance Agreements (ODAAAs) and are binding on the Republic under section 231(3) of the Constitution of the Republic of South Africa (the Constitution). The ODAAAs normally provide that the funds donated should only be used for specific, mutually agreed upon programmes and activities, and cannot be used to pay for any taxes imposed under South African Law.

The activities of an FDFP are specifically included in “enterprise”, subject to the Commissioner¹⁴ being satisfied that the project is an FDFP. The special provision strictly applies only to the activities for which the FDFP was established. See 2.3.5 for more details.

2.1.5 Electronic services supplied by non-residents

The definition of “enterprise” specifically includes the supply of certain electronic services by foreign e-commerce suppliers in respect of which at least any two of the following three circumstances apply:

- The recipient of those electronic services is a South African resident.
- Payment for such electronic services originates from a South African bank account.
- The recipient of such electronic services has an address (for example, residential, business or postal) in South Africa.

¹⁰ See the definition of “share block company” in section 1(1), read with the definition of “share block company” and “share block scheme” in section 1 of the Share Blocks Act 59 of 1980.

¹¹ The definition of “goods” under section 1(1) includes “fixed property” as defined and “fixed property” includes a share in a share block company.

¹² The services referred to in section 12(f)(i).

¹³ Paragraph (b)(iii) of the definition of “enterprise” in section 1(1).

¹⁴ See proposed amendments contained in the Taxation Laws Amendment Bill [B18—2019], certain changes with regard to the administration of FDFPs will come into effect from 1 April 2020, including that the law will, from the said date, refer to the Minister and not the Commissioner.

The original ESR came into effect on 1 June 2014, but the scope of services only covered a restricted list of electronic services. The list of electronic services is now set out in the updated ESR which came into effect on 1 April 2019.¹⁶ The main features of the new rules on electronic services can be summarised as follows:

- The previous scope of "electronic services" under the original ESR was expanded to include any supplies of electronic services (subject to a few exceptions such as telecommunications services, certain group company transactions and educational services, which are similar to those contemplated in the exemption under section 12(h)).
- The compulsory registration threshold for non-resident suppliers of electronic services was increased to R1 million (previously R50 000).¹⁶ Non-resident suppliers of electronic services can now also register voluntarily if they exceed the R50 000 threshold.
- The definition of "enterprise" now includes the activities of an "intermediary" if that person facilitates a supply of "electronic services" by a non-resident. "Facilitates" in this context means, for example, that the electronic services are advertised, sold or otherwise made available via an online marketplace or "platform" operated by the intermediary. This rule applies in circumstances where the invoicing and collection of the payment for the supply is done by the intermediary.
- A new provision¹⁷ was introduced to deem an intermediary to be the supplier of electronic services in certain instances. The effect is that the intermediary facilitating supplies of electronic services will be liable to charge and account to SARS for the VAT on the supply of electronic services if the non-resident principal is not registered for VAT in South Africa. An intermediary (whether resident or non-resident) will therefore be required to register and account for VAT if the value of their taxable supplies (including any deemed supplies) exceeds the new compulsory threshold of R1 million.

For more detailed information on the implications of the updated ESR and consequential amendments, see the *Frequently Asked Questions (FAQs): Supplies of Electronic Services* on the SARS website.

2.1.6 Commercial accommodation

Paragraph (a) of "commercial accommodation" as defined in section 1(1) includes lodging or board and lodging which is systematically supplied, together with domestic goods or services. However, a dwelling supplied in terms of an agreement for the letting and hiring thereof is specifically excluded from qualifying as the supply of "commercial accommodation". The VAT Act defines a "dwelling" as any building, structure, premises or any other place which is mainly used as a residence of a natural person. Typically, commercial accommodation establishments are those which supply short-term business and leisure type accommodation as their core business activity.

¹⁶ See Government Notice 429 in *Government Gazette* 42316 of 18 March 2019.

¹⁶ Non-resident suppliers of electronic services may apply to cancel their VAT registration if the value of electronic services supplied to South African recipients did not exceed R1 million in any consecutive period of 12 months. For more detailed information see BGR 51 "Cancellation of Registration of a Foreign Electronic Services Supplier".

¹⁷ Section 54(2B).