



## Quotation Advert

**Opening Date:** 07/02/2023

**Closing Date:** 14/02/2023

**Closing Time:** 11:00

### INSTITUTION DETAILS

**Institution Name:** Greys Hospital

**Province:** KwaZulu-Natal

**Department of entity:** Department of Health

**Division or section:** Central Supply Chain Management

**Place where goods/  
service is required:** Greys Hospital

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**Date Submitted:** 07/02/2023

### ITEM CATEGORY AND DETAILS

**Quotation number:** ZNQ: GRS 3570/01/23

**Item Category:** Services

**Item Description:** One Year Contract for the Monthly Servicing, Cleaning, Maintenance & Water Softening Treatment for the Main Reverse Osmosis Unit x 1 & ICU Units x2 at Greys Hospital

**Quantity (if supplies):** 3 Units

*(SPECIFICATION ATTACHED)*

### COMPULSORY BRIEFING SESSION / SITE VISIT

**Select Type:** Compulsory Site Meeting

**Date:** 09/03/2023

**Time:** 11:00

**Venue:** Maintenance Department

**QUOTES CAN BE COLLECTED FROM:** KZN Departmental Website

**QUOTES SHOULD BE DELIVERED TO:** Greys Hospital Tender Box / Fax: 033 897 3006

### ENQUIRIES REGARDING ADVERT MAY BE DIRECTED TO:

**Name:** Siphon Sikithi

**Email:** Emailed Quotations will Not be Considered

**Contact number:** 033 897 3492

**Finance Manager Name:** Mr. M Mathobela **Finance Manager Signature** 



CARS: 3570 / 01 / 23

201 Townbush Road, Athlone, Pietermaritzburg, 3201  
Private bag X9001, Pietermaritzburg, 3200  
Tel: 033 897 3332 E-mail: [Sphamandla@kznhealth.gov.za](mailto:Sphamandla@kznhealth.gov.za)  
[www.kznhealth.gov.za](http://www.kznhealth.gov.za)

GREY'S HOSPITAL  
MAINTENANCE DEPARTMENT

**ONE YEAR CONTRACT FOR THE MONTHLY SERVICING OF THE CLEANING, MAINTENANCE & WATER SOFTENING TREATMENT FOR THE MAIN REVERSE OSMOSIS UNITS x 3 ( RENAL WARD D2 x 1 & ICU x 2) AT GREY'S HOSPITAL**

THE CONTRACTOR MUST SERVICE THE MAIN RENAL OSMOSIS UNIT AT WARD D2 AND TWO UNITS AT ICU.

**A . SCOPE OF WORK:**

The work to be carried out under this contract includes:

***Contractor executing the scope of work, must be an accredited Laboratory Service to clean the dialysis system & water softening treatments on the renal osmosis machines at Ward D2 (x1) ICU Units (x 2) on a monthly basis for 12 months.***

**TECHNICAL SPECIFICATIONS:**

Contact the Department on a monthly basis for an appointment to undertake the service as described below.

- 2.2 Breakdown repairs will be carried out as soon as is practically possible within 8 working hours.
- 2.3 A spare part stock should be kept in the area for most breakdown requirements.
- 2.4 Record Reverse Osmosis System conductivity, water product and waste water data.
- 2.5 Record water hardness data.
- 2.6 Monthly replacement of all water filters.
- 2.7 Monthly carbon filter element replacement where fitted.
- 2.8 Monthly decontamination of Reverse Osmosis system with Peresal and test for residual Peresal with Peroxide test strips.
- 2.9 Monthly replacement of 0.2 micron Bacterial filters or where necessary after raw water infusion into the system as emergency water supply.
- 2.10 Maintenance of Reverse Osmosis systems x 2 at ICU & 1 x Ward D2 (not repairs).
- 2.11 Maintenance of re-circulating loop system equipment (not repairs).
- 2.12 The service process will be performed after daily operations have been completed, by appointment.
- 2.13 General clean-up of the plant space.
- 2.14 Monthly administration of documentation. An electronic file will be kept for each unit. The file will contain graphs of all readings taken from the units as well as scanned copies of the job cards.
- 2.15 All call-outs to be attended to promptly with full description of work that has been carried out.



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2.16 Ultra violet lights and ballasts to be changed.

2.17 Renal Osmosis membrane must be changed. (Reverse Osmosis Element – VONTRON MEMBRANE TECHNOLOGY Model: ULP21-4040 Serial no.: A72083147.

2.18 SUCCESSFUL CONTRACTOR MUST SUBMIT A MANUFACTURING SAHPRA LICENSE & ISO 13485 CERTIFICATE

2.19 Water test results must be accompanied the invoice on a monthly basis.

**GENERAL CONDITIONS OF CONTRACT**

- The work contained in this contract will be carried out on the site of the existing Institution.
- The Contractor is advised that the existing premises will be occupied throughout the period of the contract.
- Any damages done or occurring to any of the buildings will be repaired at the expense of the contractor.
- The repairs must be to the satisfaction of the KwaZulu- Natal Department of Health.
- All work is to be carried out to the approval of the department by skilled and qualified workmanship.
- On completion of the service, a copy of the "Certificate of Compliance– valid for one year" must be submitted to the Maintenance Manager.
- All faults are to be reported and documented.
- Only contractors firm specializing in this type of work (Core Business) and all approved of the department will be considered.
- Valid letter of good standing from Department of Labour
- All equipment removed is to remain on site and handed over to the Maintenance Manager.
- If at any time between the aforementioned inspections and surveys the company shall be advised by the subscriber that a fault has arisen in the system, then the company shall provide a service technician/ engineer employed by the company to attend to and adjust or repair the system.

**Bidders must complete the following schedule**

ONE YEAR CONTRACT FOR THE MONTHLY SERVICING OF THE CLEANING, MAINTENANCE & WATER SOFTENING TREATMENT FOR THE MAIN REVERSE OSMOSIS UNITS x 3 ( RENAL WARD D2 x 1 & ICU x 2) AT GREY'S HOSPITAL	QUANTITY	COST OF EACH UNIT	TOTAL COST
Safety file	01		
Monthly cleaning, maintenance & water softening treatments for the Reverse Osmosis units at ICU units	3		
Change of UV globes complete (once off)	3		
Change of Osmosis Membrane Filters (once off)	3		
MANUFACTURING SAHPRA LICENSE & ISO 13485 CERTIFICATES			

**SECTION: EVALUATION CRITERIA**



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The Department will evaluate applications received before the closing date and time using Three (3) evaluation phases, these are peremptory requirements, should the applicant fail to comply, the application will be regarded as non-responsive and be disqualified. The criteria are as follows:

**Evaluation will be based on the following:**

- Phase 1: Minimum Compulsory Requirements
- Phase 2: Technical Evaluation Criteria
- Phase 3: Price and Preferential Point

**Phase 1: Minimum Compulsory Requirements**

The Bidder shall complete and submit the following returnable schedules and documents:

NO.	SECTION/ SCHEDULE	COMPULSORY (YES / NO) NON-SUBMISSION WILL RENDER BIDDERS NON-RESPONSIVE	COMPULSORY (YES / NO) FOR BID EVALUATION PURPOSES	FOR OFFICIAL USE ONLY		
				YES	NO	N/A
<b>Prospective Bidders MUST ensure that the following Sections of the bid document MUST be completed in ALL respects to qualify for the next stage of evaluation:</b>						
1.	Section A: Invitation to Bid (SBD1)	Yes	Yes			
2.	Section B: Special instructions and notices to bidders regarding the completion of bidding forms.	Yes	Yes			
3.	Section C: Authority to sign a bid	Yes	Yes			
4.	Section D: Bidder's Disclosure (SBD 4)	Yes	Yes			
5.	Section E: The National Industrial Participation Programme (SBD 5)	Yes	Yes			
6.	Section F: Declaration That Information on Central Supplier Database is Correct and up to Date.	Yes	Yes			
7.	Section G: General Conditions of Contract	Yes	Yes			
8.	Section H: Preference Points Claimed	Yes	Yes			
9.	Section I: Conditions of Bid	Yes	Yes			
10.	Section J: Technical Specifications	Yes	Yes			
11.	Section K: Pricing Schedule	Yes	Yes			
12.	Section L: Specification	Yes	Yes			
<b>Prospective Bidders MUST provide the following as per the Mandatory Requirements:</b>						
1.	The Consortium/ Joint Venture/ Partnership agreement, if applicable. (Certified Copies).	Yes If Applicable	Yes			
2.	A Status Level Verification Certificate/Sworn Affidavit (For EMEs& QSEs).must be submitted in order to qualify for points.	Yes	Yes			
3.	Proof of Registration and Letter of Good Standing for COIDA with valid reference.	Yes	Yes			
4.	Proof that they specialize in the specified field	Yes	Yes			



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NO.	SECTION/ SCHEDULE	COMPULSOR Y (YES / NO) NON-SUBMISSION WILL RENDER BIDDERS NON-RESPONSIVE	COMPULSOR Y (YES / NO) FOR BID EVALUATIO N PURPOSES	FOR OFFICIAL USE ONLY		
				YE S	NO	N/ A
5.	Proof of Business Address (Utility Bill, or alternatively, a Letter from the Ward Councilor or lease agreements)	Yes	Yes			
6.	The bidder shall submit accreditation certificate from ECB/DOL.	No	No			
7.	The Bidder shall submit Safety Plan /Programme of works	Yes	Yes			
8.	The bidder shall submit CV s, Technicians Qualifications Accreditation under South African Qualification & Certification Committee (SAQCC )	Yes	Yes			
9.	The bidder shall submit the proof, certificates and REFERANCES of the similar services that has been rendered to public service and private service	Yes	Yes			
10.	Proof of registration, CIDB 1 EB / ME.	No	No			
11.	SAHPRA, ISO 13485	Yes	Yes			

**Phase 2: Technical Evaluation Criteria**

**Phase 3: Price and Preference Points**

The following preference point systems are applicable to all bids:

- o the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- o Points for this bid shall be awarded for: Price; and Status

CATEGORY	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
<b>Total points for Price and must not exceed</b>	<b>100</b>

**STATUS LEVEL OF CONTRIBUTOR:**

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 status level of contribution in accordance with the table below:



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STATUS LEVEL OF CONTRIBUTOR	NUMBER OF POINTS (80/20 SYSTEM)
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

Failure on the part of a bidder to submit proof of Status Level of Contributor together with the bid will be interpreted to mean that preference points for Status Level of Contributor is not being claimed, and zero (0) points will be allocated for B-BBEE.

The department 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 department.

### Verified by End User:

Name of End-user: (in full)	
Designation / Rank (in full)	
Signature	
Date	

### SPECIAL CONDITIONS OF CONTRACT

#### 1. CHANGE OF ADDRESS

- 1.1. Bidders must advise the Department of Health's Central Supply Chain Management Unit, Contract Section, should their ownership and/or address (domicilium citandi et executandi) details change from the time of bidding to the expiry of the contract.

#### 2. DELIVERY CONDITIONS

- 2.1. Delivery of service must be made in accordance with the instructions appearing on the official order form.
- 2.2. Contractors must adhere strictly to the delivery periods stipulated by them in their bid document.
- 2.3. The instructions appearing on the official order form regarding the supply, dispatch and submission of invoices must be strictly be adhered to.
- 2.4. All invoices must be submitted in the original.



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- 2.5. Deliveries not complying with the order form will be returned to the contractor at the contractor's expense.

### **3. ENTERING OF HOSPITAL/CLINIC STORES**

- 3.1. No representative from a company shall be permitted to enter the hospital/clinic premises, buildings or containers where stores are kept unless he/she is accompanied by the responsible official in charge of stores. Before entering the hospital/clinic premises, buildings or containers where stores are kept, the company representative must in writing, motivate why entry is necessary and written authority must be obtained to enter from the Head of the Institution.

### **4. FIRM PRICES AND ESCALATIONS**

- 4.1. The prices must be firm for the first year of the contract period. Price increases shall be considered using Consumer Price Index (CPI) for year 2 and 3 or the relevant Regulatory Body's Pricing Tables.
- 4.2. Where, however, in exceptional circumstances, a claim is submitted, the Department reserves the right to request any further information that may justify the claim and has the discretion to consider the claim, or not, and approve the claim, subject to availability of budget and within a reasonable range

### **5. VALUE ADDED TAX (VAT)**

- 5.1. All bid prices must be inclusive all applicable taxes, even if the bidder is not a vat vendor.
- 5.2. Bidders who make taxable supplies in excess of R1 million in any 12-month consecutive period are liable for compulsory VAT registration, but an entity may also choose to register voluntarily provided that the minimum threshold of R50 000 (as of 1 March 2010) has been exceeded in the past 12 month period. Bidders who meet the above requirement must register as VAT vendors, if successful, within one month of award of bid.
- 5.3. **VAT will not be included** after an award of the bid or during contract management period

### **6. STATEMENT OF SUPPLIES AND SERVICES**

- 6.1. The contractor shall, monthly, furnish particulars of supplies delivered or services executed. Such information must be submitted to the Department of Health Supply Chain Management, Contract Management as follows:

- (i) Name of institution.
- (ii) Orders received – order number & catalogue number & quantity delivered.
- (iii) Price.

- 6.2. Historical value and volume reports may be requested by the Department of Health, Supply Chain Management, during the term of the contract for the following:

#### **a) SUPPLIER MEASURES**

- ↳ Delivery period adherence
- ↳ Quality adherence



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6.3. This information will be submitted at the expense of the contractor.

### **7. INSPECTION FOR QUALITY**

7.1. All deliveries to authorised participants will be subjected to a visual examination and scrutiny by the relevant participants, and/or inspection for quality by Provincial Quality Control Laboratories in the Republic of South Africa, and/or inspection for quality by an accredited South African National Accreditation Section (SANAS) testing agency.

7.2. In the event of products tested, the contractor will bear the cost of any item failing to meet the relevant standard.

### **8. INVOICES AND PAYMENTS**

8.1. All invoices submitted by the Contractor must be Tax Invoices indicating item description, catalogue number, quantity ordered and quantity delivered, unit price, total price, the amount of tax charged and the total invoice amount.

8.2. A tax invoice shall be in the currency of the republic of South Africa and shall contain the following particulars:

- (a) The name, address and registration number of the supplier;
- (b) The name and address of the recipient;
- (c) An individual serialized number and the date upon which the tax invoice is issued;
- (d) A description of the goods or services supplied;
- (e) The quantity or volume of the goods or services supplied
- (f) The value of the supply, the amount of tax charged and the consideration for the supply; or
- (g) Where the amount of tax charged is calculated by applying the tax fraction to the consideration, the consideration for the supply and either the amount of the tax charged, or a statement that it includes a charge in respect of the tax and the rate at which the tax was charged.

8.3. A contractor shall be paid by the institution concerned, in accordance with supplies delivered and services rendered.

8.4. Should a contractor indicate a special discount on his/her account provided payment is made within a certain time, every effort shall be made to take advantage of such discount.

8.5. Any query concerning the non-payment of accounts must be directed to the institution concerned. The following protocol will apply if accounts are queried:

- (i) Contact must be made with the officer-in-charge of stores;
- (ii) If there is no response from stores, the finance manager of the institution must be contacted.

### **9. IRREGULARITIES**

9.1. Companies are encouraged to advise the Department of Health timeously of any possible irregularities which might come to their notice in connection with this or other contracts.

### **10. PERIOD OF CONTRACT**

10.1. Once – off installation

### **11. UNSATISFACTORY PERFORMANCE**

11.1. Unsatisfactory performance occurs when performance is not in accordance with the contract conditions.





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(i) The institution shall warn the contractor by registered/certified mail that action will be taken in accordance with the contract conditions unless the contractor complies with the contract conditions and delivers satisfactory supplies or services within a specified reasonable time (7 days minimum). If the contractor does not perform satisfactorily despite the warning the institution will:

a) Take necessary action in terms of its delegated powers.

(ii) When correspondence is addressed to the contractor, reference will be made to the contract number/item number/s and an explanation of the complaint.

### **12. PREFERENCES**

12.1. Should the Contractor apply for preferences in the submission of his bid, and it is found at a later stage that these applications were incorrect or made under false pretences, the Department may, at its own right:

- i. Recover from the Contractor all costs, losses or damages incurred or sustained by the Department as a result of the award of the Contract; and/or
- ii. Cancel the contract and claim any damages which the Department may suffer by having to make less favourable arrangements after such cancellation.
- iii. The Department may impose penalties, however, only if provision therefore is made in the Special Conditions of Bid.

### **13. RESTRICTION OF BIDDING**

The Accounting Officer or his/her delegate must:

a) Notify the supplier and any other person of the intention to restrict it doing business with KZN-DoH by registered mail. The letter of restriction must provide for:

- i. The grounds for restriction;
- ii. The period of restriction which must not exceed 10 years;
- iii. A period of 14 calendar days for the supplier to provide reasons why the restriction should not be imposed.

b) The Accounting Officer his/her delegate:

- i. May regard the intended penalty as not objected to and may impose such penalty on the supplier, should the supplier fail to respond within the 14 days; and
- ii. Must assess the reasons provided by the supplier and take the final decision.

c) If the penalty is imposed, the Accounting Officer must inform National Treasury of the restriction within 7 calendar days and must furnish the following information:

- i. The name and address of the entity/ person to be restricted;
- ii. The identity number of individuals and the registration number of the entity; and
- iii. The period of restriction.

d) National Treasury will load the details on the Database of Prohibited Vendors.

### **14. CONTRACTOR'S LIABILITY**

15.1 In the event of the contract being cancelled by the Department in the exercise of its rights in terms of these conditions, the Contractor shall be liable to pay to the Department any losses sustained



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and/or additional costs or expenditure incurred as a result of such cancellation, and the Department shall have the right to recover such losses, damages or additional costs by means of set-off from moneys due or which may become due in terms of the contract or any other contract or from guarantee provided for the due fulfilment of the contract and, until such time as the amount of such losses, damages or additional costs have been determined, to retain such moneys or guarantee or any deposit as security for any loss which the Department may suffer or may have suffered.

- 15.2 The Contractor may be held responsible for any consequential damages and loss sustained which may be caused by any defect, latent or otherwise, in supply or service rendered or if the goods or service as a result of such defect, latent or otherwise, does not conform to any condition or requirement of the contract.

### **15. DEPARTMENTAL PROPERTY IN POSSESSION OF A CONTRACTOR**

16.1 The Department's property supplied to a Contractor for the execution of a contract remains the property of the Department and shall at all times be available for inspection by the Department or its representatives. Any such property in the possession of the Contractor on the completion of the contract shall, at the Contractor's expense, be returned to the Department forthwith.

16.2 The Contractor shall be responsible at all times for any loss or damages to the Department's property in his possession and, if required, he shall furnish such security for the payment of any such loss or damages as the Department may require.

### **16. RIGHTS TO PROCURE OUTSIDE THE CONTRACT**

17.1 The Department reserves the right to procure goods outside the contract in cases of urgency or emergency or if the quantities are too small to justify delivery costs, or if the goods are obtainable from another organ of State or if the Contractor's point of supply is not situated at or near the place where the goods are required or if the Contractor's goods are not readily available.

17.2 No provision in a contract shall be deemed to prohibit the obtaining of goods or services from a Department or local authority.

### **17. USE OF CONTRACT DOCUMENTS AND INFORMATION INSPECTION**

18.1 The Contractor shall not, without the Department'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 Department in connection therewith, to any person other than a person employed by the Contractor 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.

18.2 The Contractor shall not, without the Department's prior written consent, make use of any document or information mentioned in SCC clause 18.1 except for purposes of performing the contract.

18.3 Any document, other than the contract itself mentioned in SCC clause (18.1) shall remain the property of the Department and shall be returned (all copies) to the Department on completion of the Contractor's performance under the contract or so required by the Department.

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

### **SECTION K: CONDITIONS OF BID**

The bid is issued in accordance with the following subject to the provisions of the General Conditions of Contract:

- i. Section 217 of the Constitution,



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- ii. The PFMA and its Regulations in general,
- iii. The Preferential Procurement Policy Framework Act ( PPPFA) of 2000
- iv. National Treasury guidelines

The special terms and conditions are supplementary to that of the General Conditions of Contract. Where, however, the special terms and conditions are in conflict with the General Conditions of Contract, the Special Terms and Conditions prevail.

- (a) Bidder/s must ensure that they are fully aware of all the conditions contained in this bid document.
- (b) Only bidders that fully meet the specifications and all conditions will be considered.

### **1. ACCEPTANCE OF A BID**

- 1.1. ~~The Department of Health Bid Adjudication Committee is under no obligation to accept any bid. Only those bidders who comply with the bid specifications and compliance requirements will be listed on the panel of Service Providers.~~

### **2. CERTIFICATE OF COMPLIANCE**

- 2.1. If the bidder submits offers for items that make reference to South African National Standards (SANS) or South African Bureau of Standards (SABS) specifications, a Certificate of Compliance must be submitted with the bid document at the time of closing of the bid. SABS/SANS can be contacted for testing and conformity services at Tel: 031 203 2900/ Fax: 031 203 2907. SANS, SABS AND CKS specifications will be for the account of the prospective bidder.
- 2.2. Failure to submit the certificate, where applicable, will result in the bid being disqualified. The Department reserves its rights to contact SABS/SANS/CKS for testing and conformity services.
- 2.3. The South African National Accreditation System (SANAS) is recognized by the South African Government as the single National Accreditation Body that gives formal recognition that Laboratory, Certification Bodies, Inspection Bodies, Proficiency Testing Scheme Providers and Good Laboratory Practice (GLP) test facilities are competent to carry out specific tasks. This organization can be contacted as follows: Tel: 012 3943760: Fax: 012 3940526.
- 2.4. Prior to an award of the bid being made and/or during the evaluation process, the Department of Health reserves the right to conduct inspections of the premises of the most acceptable bidder. Therefore, premises of the bidder shall be open, at reasonable hours, for inspection by a representative of the Department of Health or organization acting on its behalf.
- 2.5. Any specification/s and conformity testing will be for the account of the prospective bidder.
- 2.6. In the event of the bidder not being the actual manufacturer and will be sourcing the product(s) from the manufacturer, a letter from the manufacturer confirming firm supply arrangement(s) including lead times in this regard, must accompany the bid at closing date and time. If the bidder is the manufacturer, a letter confirming that the bidder is the manufacturer should accompany the bid at the closing date and time.

### **3. COMPLIANCE WITH SPECIFICATION**

- 3.1. Offers must comply strictly with the specification.
- 3.2. Offers exceeding specification requirements will be deemed to comply with the specification.
- 3.3. The quality of services/ supply must not be less than what is specified.



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### **4. EQUAL BIDS**

- 4.1. If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for B-BBEE.
- 4.2. If functionality is part of the evaluation process and two or more tenderers score equal total points and equal preference points, the contract must be awarded to the tenderer that scored the highest points for functionality.
- 4.3. If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots.

### **5. LATE BIDS**

- 5.1. Bids are late if they are received at the address indicated in the bid documents after the closing date and time.

### **6. MORE THAN ONE OFFER/ COUNTER OFFERS**

- 6.1. Should the bidder make more than one offer, where applicable, against any individual item, such offer/s must be detailed in the Schedule of Additional Offer/s. The Department reserves its rights in and to the consideration of any additional offer/s subject to compliance with specification and the bidding conditions.
- 6.2. Bidders' attention is drawn to the fact that counter offers with regard to any of the abovementioned Special Terms and Conditions will invalidate such bids.
- 6.3. Bidders are at liberty to bid for one, a number of items, or bid for all items. If a bidder is not bidding for all the items, the appropriate price page must reflect: 'nil quote'.

### **7. ONLY ONE OFFER RECEIVED**

- 7.1. Where only 1 offer is received, the Department of Health will determine whether the price is fair and reasonable. Proof of reasonableness will be determined as follows:
  - (i) Comparison with prices, after discounts, to the bidder's other normal clients and the relative discount that the State enjoys;
  - (ii) Where this is not possible, profit before tax based on a full statement of relevant costs;  
and
  - (iii) In all cases, comparison with previous bid prices where these are available

### **8. AWARD OF BID (S)**

- 8.1. The Department of Health Bid Adjudication Committee reserves the right to award the bid to one or more than one bidder, provided that the respective bidders' offers comply with the specification and meets all the conditions attached to the bid.
- 8.2. Notification of the intention to award the bid shall be in the same media that the bid was advertised.
  - 1.1. In terms of Practice Note Number: SCM-07 of 2006, Section 5: Appeal Procedure, 5.1 "A bidder aggrieved by a decision of the Departmental Bid Adjudication Committee or a delegate of an accounting officer may appeal to the Bid Appeals Tribunal in the prescribed manner" The bidder must, within five working days of the publication of the notice of intention to award, in the



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Government Tender Bulletin, deliver a written notification of an intention to appeal to Provincial Treasury, Secretariat, Bid Appeals Tribunal, Tel no: 033-897 4200

- 1.2. After all appeals, should they be lodged, have been dealt with by the Bid Appeals Tribunal, the successful bidder (s) shall be notified in writing by a duly authorised official of the Department of Health, Central Supply Chain Management Unit. A formal contract will then be entered into by both parties

## **2. REGISTRATION ON THE CENTRAL SUPPLIER DATABASE (CSD)**

- 9.1 A bidder submitting an offer must be registered on the Central Supplier Database. A bidder who has submitted an offer and is not registered on the Central Supplier Database will not be considered.

- 
- 9.2 Each party to a joint venture/ consortium must be registered on the Central Suppliers Database at the time of submitting the bid.

**NB.: IF A BIDDER IS FOUND TO BE EMPLOYED BY THE STATE AND IS ON THE CENTRAL SUPPLIER DATABASE, THE BIDDER WILL BE DISQUALIFIED.**

## **10 TAX COMPLIANCE REQUIREMENTS**

- 10.1 Bidders must ensure compliance with their tax obligations.
- 10.2 No award may be made to any bidder who is not tax compliant either on the Central Supplier Database or SARS e-Filing system at the time of finalisation of the award of the bid. The Onus is on the bidder to ensure that their tax affairs are in order and is valid on the CSD.

## **11 TRUST, CONSORTIUM OR JOINT VENTURE**

- 11.1 In terms of the Preferential Procurement Policy Framework Act and Regulations, as amended, a Trust, Consortium or Joint Venture must submit a consolidated Status Level Verification Certificate for every separate bid.
- 11.2 A separate B-BBEE Certificate must be submitted by each company participating in the Trust, Consortium or Joint Venture.
- 11.3 The non-submission of a B-BBEE Certificate by a Trust, Consortium or Joint Venture will result in zero (0) preference points being allocated for evaluation purposes.
- 11.4 Should this bid be submitted by a Joint Venture, the Joint Venture agreement must accompany the bid document.
- 11.5 The Joint Venture agreement must clearly specify the percentage of the contract to be undertaken by each company participating therein.
- 11.6 The Joint Venture/Consortium must submit a formal agreement that outlines the roles and responsibilities of each member of the Joint Venture/ Consortium, nomination of an authorised person to represent the Joint Venture or Consortium in all matters relating to this bid and the details of the bank account for payments to be affected.
- 11.7 No award will be made to a Trust/ Joint Venture/ Consortium that is not tax compliant at the finalisation of the award.
- 11.8 For verification purposes, each party must submit separate proof of TCS/ PIN / CSD number.



**12 VALIDITY PERIOD OF BID AND EXTENSION THEREOF**

- 12.1 The validity (binding) period for the bid will be **180 days** from close of bid.
- 12.2 However, circumstances may arise whereby the department may request bidders to extend the validity (binding) period. Should this occur, the department will request bidders to extend the validity (binding) period under the same terms and conditions as originally offered for by bidders? This request will be done before the expiry of the original validity (binding) period

**OFFICIAL BRIEFING SESSION / SITE INSPECTION CERTIFICATE**

Site/building/institution involved: **GREY'S HOSPITAL**  
Quotation No.:

**ONE YEAR CONTRACT FOR THE MONTHLY SERVICING OF THE CLEANING, MAINTENANCE & WATER SOFTENING TREATMENT FOR THE MAIN REVERSE OSMOSIS UNITS x 3 ( RENAL WARD D2 x 1 & ICU x 2) AT GREY'S HOSPITAL**

THIS IS TO CERTIFY THAT..... OF (STATE NAME OF TENDERER)  
..... VISITED AND INSPECTED THE SITE ON  
..... (DATE) AND IS THEREFORE FAMILIAR WITH THE CIRCUMSTANCES AND  
THE A SCOPE OF THE SERVICE TO BE RENDERED.

.....  
**SIGNATURE OF TENDERER OR AUTHORISED REPRESENTATIVE**

DATE :.....

.....  
**SIGNATURE OF DEPARTMENTAL REPRESENTATIVE**

**DEPARTMENTAL STAMP:**

DATE :.....









GENERAL CONDITIONS OF CONTRACT

**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/quotation 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.

---

**1 Definitions**

The following terms shall be interpreted as indicated:

- 1.1. "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
- 1.2. "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- 1.3. "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- 1.4. "Corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
- 1.5. "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- 1.6. "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- 1.7. "Day" means calendar day.
- 1.8. "Delivery" means delivery in compliance of the conditions of the contract or order.
- 1.9. "Delivery ex stock" means immediate delivery directly from stock actually on hand.
- 1.10. "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
- 1.11. "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA
- 1.12. "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13. "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14. "GCC" means the General Conditions of Contract.
- 1.15. "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16. "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17. "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18. "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19. "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20. "Project site," where applicable, means the place indicated in bidding documents.
- 1.21. "Purchaser" means the organization purchasing the goods.
- 1.22. "Republic" means the Republic of South Africa.
- 1.23. "SCC" means the Special Conditions of Contract.
- 1.24. "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.25. "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

**2 Application**

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

**3 General**

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

#### 4 Standards

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

#### 5 Use of contract documents and information; inspection.

- 5.1. The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2. The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3. Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.
- 5.4. The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

#### 6 Patent rights

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

#### 7 Performance security

- 7.1. Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2. The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3. The performance security will 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.

SPECIAL CONDITIONS OF CONTRACT

**1. AMENDMENT OF CONTRACT**

- 1.1. Any amendment to or renunciation of the provisions of the contract shall at all times be done in writing and shall be signed by both parties.

**2. CHANGE OF ADDRESS**

- 2.1. Bidders must advise the Department of Health (institution where the offer was submitted) should their address (domicilium citandi et executandi) details change from the time of bidding to the expiry of the contract.

**3. GENERAL CONDITIONS ATTACHED TO THIS QUOTATION**

- 3.1. The Department is under no obligation to accept the lowest or any quote.
- 3.2. The Department reserves the right to communicate in writing with vendors in cases where information is incomplete or where there are obscurities regarding technical aspects of the offer, to obtain confirmation of prices or preference claims in cases where it is evident that a typing, written, transfer or unit error has been made, to investigate the vendor's standing and ability to complete the supply/service satisfactorily.
- 3.3. **ALL DECISIONS TAKEN BY THE DEPARTMENT ARE FINAL, INCLUDING THE AWARD OR CANCELLATION OF THIS QUOTATION.**
- 3.4. The price quoted must include VAT (if VAT vendor).
- 3.5. Should a bidder become a VAT vendor after award or during the implementation of a contract, they may not request the VAT percentage from the Department as the service provider made an offer during the period they were not registered as a VAT vendor. The Department is only liable for any VAT from registered VAT vendors as originally stated on the quotation document.
- 3.6. ~~The bidder must ensure the correctness & validity of the quotation:~~
- (i) that the price(s), rate(s) & preference quoted cover all for the work/item (s) & accept that any mistakes regarding the price (s) & calculations will be at the bidder's risk;
- (ii) it is the responsibility of the bidder to confirm receipt of their quotation and to keep proof thereof.
- 3.7. The bidder must accept full responsibility for the proper execution & fulfilment of all obligations conditions devolving on under this agreement, as the Principal (s) liable for the due fulfilment of this contract.
- 3.8. This quotation will be evaluated based on the 80/20 points system, specification, correctness of information and/or functionality criteria. All required documentation must be completed in full and submitted.
- 3.9. Offers must comply strictly with the specification.
- 3.10. Only offers that meet or are greater than the specification will be considered.
- 3.11. Late offers will not be considered.
- 3.12. Expired product/s will not be accepted. All products supplied must be valid for a minimum period of six months.
- 3.13. Used/ second-hand products will not be accepted.
- 3.14. A bidder not registered on the Central Suppliers Database or whose verification has failed will not be considered.
- 3.15. All delivery costs must be included in the quoted price for delivery at the prescribed destination.
- 3.16. Only firm prices will be accepted. Such prices must remain firm for the contract period. Non-firm prices (including rates of exchange variations) will not be considered.
- 3.17. In cases where different delivery points influence the pricing, a separate pricing schedule must be submitted for each delivery point.
- 3.18. In the event of a bidder having multiple quotes, only the cheapest according to specification will be considered.
- 3.19. Verification will be conducted to identify if bidders have multiple companies and are cover-quoting for this bid.
- 3.20. In such instances, the Department reserves the right to immediately disqualify such bidders as cover-quoting is an offence that represents both corruption and acquisition fraud.

**4. SPECIAL INSTRUCTIONS AND NOTICES TO BIDDERS REGARDING THE COMPLETION OF THIS QUOTATION.**

- 4.1. Unless inconsistent with or expressly indicated otherwise by the context, the singular shall include the plural and vice versa and with words importing the masculine gender shall include the feminine and the neuter.
- 4.2. Under no circumstances whatsoever may the quotation/bid forms be retyped or redrafted. Photocopies of the original bid documentation may be used, but an original signature must appear on such photocopies.
- 4.3. The bidder is advised to check the number of pages and to satisfy himself that none are missing or duplicated.
- 4.4. Quotations submitted must be complete in all respects. However, where it is identified that information in a bidder's response, which does not affect the preference points or price, is incomplete in any respect, the said supplier meets all specification requirements and scores the highest points in terms of preference points and price, the Department reserves the right to request the bidder to complete/ submit such information.
- 4.5. Any alteration made by the bidder must be initialled; failure to do so may render the response invalid.
- 4.6. Use of correcting fluid is prohibited and may render the response invalid.
- 4.7. Quotations will be opened in public as soon as practicable after the closing time of quotation.
- 4.8. Where practical, prices are made public at the time of opening quotations.
- 4.9. If it is desired to make more than one offer against any individual item, such offers should be given on a photocopy of the page in question. Clear indication thereof must be stated on the schedules attached.
- 4.10. The Department is under no obligation to pay suppliers in part for work done if the supplier can no longer for fulfil their obligation.

**5. SPECIAL INSTRUCTIONS REGARDING HAND DELIVERED QUOTATIONS**

- 5.1. Quotation shall be lodged at the address indicated not later than the closing time specified for their receipt, and in accordance with the directives in the quotation documents.
- 5.2. Each quotation shall be addressed in accordance with the directives in the quotation documents and shall be lodged in a separate sealed envelope, with the name and address of the bidder, the quotation number and closing date indicated on the envelope. The envelope shall not contain documents relating to any quotation other than that shown on the envelope. If this provision is not complied with, such quotations/bids may be rejected as being invalid.
- 5.3. All quotations received in sealed envelopes with the relevant quotation numbers on the envelopes are kept unopened in safe custody until the closing time of the quotation/bids. Where, however, a quotation is received open, it shall be sealed. If it is received without a quotation/bid number on the envelope, it shall be opened, the quotation number ascertained, the envelope sealed and the quotation number written on the envelope.
- 5.4. A specific box is provided for the receipt of quotations, and no quotation found in any other box or elsewhere subsequent to the closing date and time of quotation will be considered.

5.6. Quotation documents must not be included in packages containing samples. Such quotations may be rejected as being invalid.

**6. SAMPLES**

6.1. In the case of the quote document stipulating that samples are required, the supplier will be informed in due course when samples should be provided to the institution. (This decreases the time of safety and storage risk that may be incurred by the respective institution). The bidders sample will be retained if such bidder wins the contract.

(i) If a company/s who has not won the quote requires their samples, they must advise the institution in writing of such.

(ii) If samples are not collected within three months of close of quote the institution reserves the right to dispose of them at their discretion.

6.2. **Samples must be made available when requested in writing or if stipulated on the document.**

If a Bidder fails to provide a sample of their product on offer for scrutiny against the set specification when requested, their offer will be rejected. All

(i) testing will be for the account of the bidder.

**7. COMPULSORY SITE INSPECTION / BRIEFING SESSION**

7.1. Bidders who fail to attend the compulsory meeting will be disqualified from the evaluation process.

(i) The institution has determined that a compulsory site meeting \_\_\_\_\_ take place.

(ii) **Date:** \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ **Time:** \_\_\_\_\_ : \_\_\_\_\_ **Place:** \_\_\_\_\_

Institution Stamp:	Institution Site Inspection / briefing session Official:  Full Name: _____  Signature: _____  Date: _____
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**8. STATEMENT OF SUPPLIES AND SERVICES**

8.1. The contractor shall, when requested to do so, furnish particulars of supplies delivered or services executed. If he/she fails to do so, the Department may, without prejudice to any other rights which it may have, institute inquiries at the expense of the contractor to obtain the required particulars.

**9. SUBMISSION AND COMPLETION OF SBD 6.1**

9.1. Should a bidder wish to qualify for preference points they must complete a SBD 6.1 document. Failure by a bidder to provide all relevant information required, will result in such a bidder not being considered for preference point's allocation. The preferences applicable on the closing date will be utilized. Any changes after the closing date will not be considered for that particular quote.

**10. TAX COMPLIANCE REQUIREMENTS**

10.1. In the event that the tax compliance status has failed on CSD, it is the suppliers' responsibility to provide a SARS pin in order for the institution to validate the tax compliance status of the supplier.

10.2. In the event that the institution cannot validate the suppliers' tax clearance on SARS as well as the Central Suppliers Database, the quote will not be considered and passed over as non-compliant according to National Treasury Instruction Note 4 (a) 2016/17.

**11. TAX INVOICE**

11.1. A tax invoice shall be in the currency of the Republic of South Africa and shall contain the following particulars:

- (i) the name, address and registration number of the supplier;
- (ii) the name and address of the recipient;
- (iii) an individual serialized number and the date upon which the tax invoice
- (iv) a description and quantity or volume of the goods or services supplied;
- (v) the official department order number issued to the supplier;
- (vi) the value of the supply, the amount of tax charged;
- (vii) the words tax invoice in a prominent place.

**12. PATENT RIGHTS**

12.1. The supplier shall indemnify the KZN Department of Health (hereafter known as 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.

**13. PENALTIES**

13.1. If at any time during the contract period, the service provider is unable to perform in a timely manner, the service provider must notify the institution in writing/email of the cause of and the duration of the delay. Upon receipt of the notification, the institution should evaluate the circumstances and, if deemed necessary, the institution may extend the service provider's time for performance.

13.2. In the event of delayed performance that extends beyond the delivery period, the institution is entitled to purchase commodities of a similar quantity and quality as a substitution for the outstanding commodities, without terminating the contract, as well as return commodities delivered at a later stage at the service provider's expense.

13.3. Alternatively, the institution may elect to terminate the contract and procure the necessary commodities in order to complete the contract. In the event that the contract is terminated the institution may claim damages from the service provider in the form of a penalty. The service provider's performance should be captured on the service provider database in order to determine whether or not the service provider should be awarded any contracts in the future.

13.4. 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.

**14. TERMINATION FOR DEFAULT**

- 14.1. 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:
- (i) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract,
  - (ii) if the supplier fails to perform any other obligation(s) under the contract; or
  - (iii) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.
- 14.2. 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.
- 14.3. Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.
15. **THE DEPARTMENT RESERVES THE RIGHT TO PASS OVER ANY QUOTATION WHICH FAILS TO COMPLY WITH THE ABOVE.**
-

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

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

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

**1. GENERAL CONDITIONS**

- 1.1. The following preference point systems are applicable to invitations to tender:
- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
  - the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).
- 1.2. The applicable preference point system for this tender is the 80/20 preference point system.
- 1.3. Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:
- (a) Price; and
  - (b) Specific Goals.
- 1.4. The maximum points for this tender are allocated as follows:

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

- 1.5. Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- 1.6. The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

**2. DEFINITIONS**

- (a) "tender" means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) "price" means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) "rand value" means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) "tender for income-generating contracts" means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) "the Act" means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

**3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES**

**3.1. POINTS AWARDED FOR PRICE**

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

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

$$\begin{array}{ccc}
 \text{80/20} & & \text{90/10} \\
 \text{Ps} = 80 \left( 1 - \frac{\text{Pt} - \text{Pmin}}{\text{Pmin}} \right) & \text{OR} & \text{Ps} = 90 \left( 1 - \frac{\text{Pt} - \text{Pmin}}{\text{Pmin}} \right)
 \end{array}$$

Where

- Ps = Points scored for price of tender under consideration  
Pt = Price of tender under consideration  
Pmin = Price of lowest acceptable tender

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

**3.2.1. POINTS AWARDED FOR PRICE**

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

$$\begin{array}{ccc}
 \text{80/20} & & \text{90/10} \\
 \text{Ps} = 80 \left( 1 + \frac{\text{Pt} - \text{Pmax}}{\text{Pmax}} \right) & \text{OR} & \text{Ps} = 90 \left( 1 + \frac{\text{Pt} - \text{Pmax}}{\text{Pmax}} \right)
 \end{array}$$

Where

- Ps = Points scored for price of tender under consideration  
Pt = Price of tender under consideration  
Pmax = Price of highest acceptable tender

**4. POINTS AWARDED FOR SPECIFIC GOALS**

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
  - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
- then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

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

The specific goal/s allocated points in terms of this tender	Number of points allocated (80/20 system)	Number of points claimed (80/20 system)
Promotion of South African owned enterprises	20	

**DECLARATION WITH REGARD TO COMPANY/FIRM**

- 4.3. Name of company/firm: \_\_\_\_\_
- 4.4. Company registration number: \_\_\_\_\_
- 4.5. TYPE OF COMPANY/ FIRM [tick applicable box]
- Partnership/Joint Venture / Consortium
  - One-person business/sole propriety
  - Close corporation
  - Public Company
  - Personal Liability Company
  - (Pty) Limited
  - Non-Profit Company
  - State Owned Company

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

<p>_____</p> <p><b>SIGNATURE(S) OF TENDERER(S)</b></p> <p><b>SURNAME AND NAME:</b> _____</p> <p><b>DATE:</b> _____</p> <p><b>ADDRESS:</b> _____</p> <p>_____</p> <p>_____</p>
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