



KWAZULU-NATAL PROVINCE

HEALTH
REPUBLIC OF SOUTH AFRICA

PRE-BID DOCUMENT

BID DOCUMENT NUMBER: ZNB 5101/2023-H

AUCTIONEER TO PROVIDE AUCTIONEERING SERVICES FOR CONDEMNED, SCRAPPED AND OBSOLETE ASSETS THAT INCLUDES, VEHICLES, OFFICE FURNITURE AND OTHER EQUIPMENT AND SOME MEDICAL AND ALLIED EQUIPMENTS FOR THE DEPARTMENT OF HEALTH ON A 3 YEAR CONTRACT.

BIDDER TO NOTE THE FOLLOWING

PRE-BID MEETING DATE AND TIME:

DATE: 12 APRIL 2023

TIME: 10:00 AM

Venue : 330 Langalibalele street, Natalia Building, 1st floor Auditorium

Bidders Notes :

Prospective bidders must read this document and make prior notes for further discussions at the scheduled pre-bid specification meeting.

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TERMS OF REFERENCES

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The KwaZulu-Natal Department of Health invites bids from qualified auctioneers to facilitate sale of a number of condemned Department of Health assets that includes motor vehicles, office furniture and other equipment, through online and on-site auction.

1.2 PROCEDURE

- a) The auctioneer shall sell all condemned Department of Health assets by auction as and when required by the Department.
- b) The Auctioneer shall liaise ONLY with the Department's Head Office Asset Management Unit regarding the dates for the auction sale.
- c) The auctioneer shall arrange for the inclusion of all condemned Department of Health assets in the auction sale.

1.3 AUCTIONING OF DEPARTMENT'S CONDEMNED, SCRAPPED AND OBSOLETE ASSETS

- a) All condemned departmental assets will be transported / towed to the auction sites by the department and at its expense.
- b) Auctions will take place both online and on-sites, times and conditions as specified by the Department.
- c) The auctioneer will remove all departmental decals and number plates and ensure that lot numbers are as per goods description.
- d) Auctioneer will sell goods as is.
This contract covers the auctioning of medical and allied equipment but excludes specialised and life-saving medical equipment (i.e. radiology in terms of CT Scanners, MRI Scanners, X-Ray, Ultrasound etc.) The auctioneer may be requested by the Department to assist with disposal of these specialised and life-saving medical equipment in terms of the prescribed legislation.
- e) Goods will be sold for amounts as determined by the auctioneer, but not less than 90% of the reserve price determined by the Department and in SA monetary terms.
- f) Auctioneer will provide own administrative assistants at own cost.
- g) Auctioneer will provide own security guards at own cost to ensure safety and security of disposal assets and bidders on-site.
- h) There will be no commission on unsold goods.
- i) Auctioneer shall make arrangements to pay back buyers' deposits who did not buy.

- j) Goods not collected by buyers within a time specified by the department will remain the property of the department and buyer will forfeit deposit.
- k) For the auctioning of vehicles, the Department will provide all deregistration certificates while the Auctioneer will procure special permits for unlicensed vehicles.
- l) Auctioneer will advise the department in writing within one day of all unsold vehicles and request for a recalculation of reserve prices.
- m) Information on sale amounts realized and payments to the Department will be sent by auctioneer within 7 (seven) days after the auction otherwise accumulated interest will have to be paid to the Department.

1.4 SPECIFIC CONDITIONS

- a) The auctioneer will be required to furnish in respect of each auction sale to be held, a bank guarantee cheque, equal to the anticipated proceeds of the auction sale, as determined by a Departmental Assets Management Unit representation. The cheque is to be handed to the department's officer in charge of the arrangements for the auction, before commencement of the sale. This cheque is to be retained in safety by the officer concerned and shall only be returned to the auctioneer on receipt of payment of the nett proceeds of the sale.

NB: Only a Bank guaranteed cheque will be accepted. No other form of security is acceptable.

- The contractor is responsible for advertising the sale as a debit against the department's auction proceeds. To afford interested clients who may be resident, the opportunity to attend sales, advertisements are to be placed timeously as widely as possible.
- b) Draft copies of the proposed advertisements are to be submitted to the Department's Asset Management Unit for approval and publication is to be arranged in consultation with the Department.
- c) The Department reserve the right to determine the nature and number of publications in which the auction is to be advertised depending on the nature of goods / assets to be auctioned.
- d) The amount that may be expended on advertising is to be determined by the Department and will be based on the estimated gross proceeds of the sale, but shall not exceed R40 000-00 and the contractor will be reimbursed up to that limit. In addition, only the actual cost of advertisements in the media will be refunded, on production of documentary proof in terms of invoice from the publication house/ suppliers. Any expenditure incurred in the printing of Landbills, posters, etc is to be met by the auctioneer, from the commission payable to him. If considered necessary, the department may specifically request the Auctioneer to advertise the sale(s) in the Tender Bulletin and any other publication/s as will be determined by the Department. The benefit of any discount allowed to auctioneers by the publishers, with regard to the publication of the advertisements, is to be shown as a deduction on invoices.
- e) Goods offered for sale will be available for inspection by the public during such times and dates as specified by the Department.
- f) At the commencement of each sale the auctioneer is to announce the conditions of sale in English or any language as prescribed by the Department concerned.
- g) Auctioneers are expected to conduct the action sales in English or language most preferred by the interested clients.
- h) The nett proceeds of each auction shall be paid to the Department immediately after the sale, in cash

or by means of a bank certified cheque. The amount of the payment shall be the gross amount realised from the auction, less commission and advertising costs. All proceeds not paid into Department bank account within 7 days are to accumulate 10% interest payable into the department's bank account with the proceeds from the auction.

- i) The auctioneer is responsible for obtaining payment from the purchasers in respect of each lot sold.
- j) All auction transactions shall be carried in South African Currency.
- k) The auctioneer shall be at the auction site at least two hours before commencement of the auction sale to allow registration of buyers.
- l) The auctioneer shall inspect all goods before each auctioning in order to ensure that lot numbers and descriptions are correct, and to acquaint himself with the conditions of goods.
- m) The Auctioneer and Departmental Asset Management to agree on a reserve price for each lot prior to commence of an auction.
- n) All perspective buyers shall be registered by the auctioneer on payment of a registration fee, the amount of which shall be determined by the Department prior to the publication of an auction advert.
 - i. The auctioneer shall be assisted, at his own cost, by at least two assistants during each auction.
 - ii. The auctioneer shall make provision for the buyers to pay at any time during the auction, without interrupting the auction.
 - iii. The auctioneer shall provide an intercom system at his own expense where and wherever necessary.
 - iv. All monies received at the auction shall be recorded, in triplicate, in a receipt book. The original and one copy shall be furnished to the buyer and the Department respectively.
 - v. The registration fee shall be re-paid by the auctioneer at any time during or after the auction, if nothing was bought by the buyer concerned, or may be deducted from the amount payable by the buyer for what he/she has purchased.
 - vi. The auctioneer shall only close a bid with a registered buyer.
 - vii. The auctioneer shall be responsible for the remittance of VAT to the Department of South African Revenue Services (SARS), where applicable.
- o)
 - i. The auctioneer shall not be part of or party to a "RING". Should any active association with a "RING" be proved to be to the satisfaction of the Department, the contract with the auctioneer shall be cancelled with immediate effect.
 - ii. On completion of the auction, the auctioneer is to provide an auction list indicating:-
 - The departmental and/or lot numbers of the goods sold.
 - The make and type, or nature of goods sold (if required).
 - The names and addresses of the purchasers (if required).
 - The amount realised for each time.
 - The gross amount realised.
 - The amount expended on advertising.
 - 2 days for all other goods

- iii. All goods are to be removed by the buyer immediately after the sale, or within the period stipulated in the catalogue, and should he/she neglect to do this, he/she will be liable to a penalty as determined by the Department. The buyer will however, be allowed a maximum of 2 days or 48 hours for other assets or goods types and 4 days for construction heavy equipment and machinery. Furthermore the items sold by Public Auction which are not removed from the premises immediately shall be stored at owner's risk.
- iv. Goods not collected by buyers within a specified time will remain the property of the Department and buyer will forfeit deposit to be amended also as 34.25
- v. The risk in respect of goods sold passes to the buyer as soon as his bid has been accepted and the goods knocked down to him, and the seller accepts no liability whatsoever in respect thereof.
- vi. The Department reserves the right, in special cases, to depart from the abovementioned procedure, by including special conditions in the sales catalogue.
- vii. The Department is to be informed in every instance where special services are required, before arrangements for the sale are made. In all other instances, the services of the contractors are to be utilised.
- viii. Departmental officials from Asset Management and Revenue Unit are to separately record the individual amounts at which each lot is sold, in order that these amounts may be compared after the sale, with the record kept by the auctioneer.
- ix. Only if there is no objection from ANY of the buyers, the Department's Asset Management Unit representative in charge of the auction may use his discretion with regard to the grouping together of lots, depending on the commodities.
- x. The contracts are subject to the conditions contained in General Conditions of Contract.
- xi. Nothing herein contained shall be construed as affecting the right of the Department to sell any goods out of hand, or by bid, as may be deemed fit.
- xii. Only the Assets/ Disposal Management representing the Department at the auction sale has the right to settle any disputes on the spot, and to withdraw articles for which no suitable prices are obtained, at his discretion.
- xiii. The Department reserves the right to cancel an auction sale at any time should this be deemed necessary. The advertising costs incurred by the auctioneer will be reimbursed, up to the maximum determined by the Department, on production of documentary proof, except in cases where the auction is stopped as a result of wrongful action by the auctioneer.
- xiv. The Department has granted approval for the defrayal of auctioneers commissions and advertising costs from the gross income of the auction, and to view only the remnant of the proceeds (net income) as an income. For the purposes of this contract, the instruction that the proceeds of the auction be viewed as an income and that advertising costs and auctioneers commissions be defrayed out of voted funds, will therefore not be applicable.
- xv. PLEASE NOTE: The Department's approval referred to above is applicable for services arranged in accordance with this contract only.
- xvi. All commissions INCLUDE VAT.

- xvii. The auctioneer may appoint someone to bid or buy on his behalf at an auction, on condition that such a person registers and that the Departmental representative is fully informed in respect of the lots on which he will be bidding.
- xviii. The auctioneer must ensure that all vehicles listed for sale must be washed on the outside and engine must also be cleaned
- xix. All auction communications between the Auctioneer and Department are to be through the office of Department's Asset Management Unit at Head Office.
- xx. The Auctioneer is not to auction any Department goods or assets without written approval from Department's Asset Management Unit from Head Office.
- xxi. The Auctioneer is not to allow bidders access to their awarded lots or goods until such time that, the full bid amount is paid by the bidders.
- xxii. The Auctioneer is not to allow bidders to splits lots / take apart/ goods/ item/ prior to full amount being paid by bidder.
- xxiii. Should the bidders not settle their outstanding amounts for the lots bought on the action day, the Auctioneer is to provide proof of payment to Head Office Asset Management Unit prior as evidence of payment by bidders prior to the bought lots to be realised by the district asset management. Should such proof of payment not be produced with the time stipulated under paragraph 34.25 above, the lots will remain the Department property and the deposit will be forfeited.
- xxiv. Even after the bidder have settled their lots amount in full, the auctioneer is not to allow bidders to splits lots / take apart/ goods/ item/ sell their lots with the department's premises.
- xxv. The Department reserve the right to either terminate the contract or impose a penalty to be determined by the department should the Auctioneer not adhere to the terms of this contract

Breakdown of allowed Auction fees

- ✓ Online Auction set-up and management
- ✓ Marketing materials preparation and upload (newspapers)
- ✓ Online marketing management (Electronic)
- ✓ Breakdown of commission structure

SPECIAL CONDITIONS OF CONTRACT (SCC)

Note: The special conditions of contract referred as (SCC) are supplementary to that of the General Conditions of Contract (GCC). Where, however, the special conditions of contract are in conflict with the General Conditions of Contract, the special conditions of contract (SCC) shall prevail.

1. ADDITIONAL DEFINITIONS

In addition to the definitions contained in paragraph 1 of the GCC, the following terms shall be interpreted as indicated:

- 1.1. **“Accounting Officer”**: means a person described in Section 36 of the Public Finance Management Act, Act No. 1 of 1999 (As amended by Act 29 of 1999).
- 1.2. **“Contract Duration”**: means the period between the commencement and termination of the contract.
- 1.3. **“Confidential Information”**: means but is not limited to contents of the contract, or any provision thereof, or any specification, plan, know-how, 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 contractor or service provider in the performance of the contract.
- 1.4. **“Department”**: means the KwaZulu-Natal Department of Health.
- 1.5. **“Head of Department”**: means the Head of Department for KwaZulu-Natal Department of Health as defined in Schedule 2 Column 1 and 2 of the Public Service Act 1994 (Proclamation 103 of 3 June 1994, as amended).
- 1.6. **“Health Facilities”**: means Head Office, District Offices, Hospitals, Community Health Centres, Specialized centres and Clinics under the auspices of the Department of Health in the Province.
- 1.7. **“ISO Standards”**: means standards recognized by International Standard Organisation
- 1.8. **“Parties”**: means the KwaZulu-Natal Department of Health and Contractor or Service provider
- 1.9. **“Province”**: means the Province of KwaZulu-Natal.
- 1.10. **“ROE”**: means the Rate of Exchange.
- 1.11. **“SABS”**: means the South African Bureau of Standards.
- 1.12. **“SANS”**: means the South African National Standards.
- 1.13. **“Vendor”**: means **Contracted Supplier or Service Provider**

2. INTERPRETATIONS

In amplification of the provisions of paragraph 2 of the GCC, unless inconsistent with the context, an expression which denotes:

- 2.1 Any gender includes the other genders.
- 2.2 A natural person includes a juristic person and vice versa.
- 2.3 The singular includes the plural and vice versa.
- 2.4 When any number of days is prescribed in this Contract, the same shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a Saturday, Sunday or proclaimed public holiday in the Republic of South Africa, in which event the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday.
- 2.5 Figures are referred to in numerals and in words, if there is any conflict between the two, the words shall prevail.
- 2.6 Any reference in this contract to "goods" includes works and/or services.
- 2.7 The written and signed contract represents the final agreement between the parties and it super cedes any prior oral agreements or discussions of the Contract.
- 2.8 All annexures and appendices shall form part of the contract.
- 2.9 The headings used throughout the Contract do not have any special significance save to ensure the easy reading of the contract.
- 2.10 Words and phrases defined in this Contract shall bear the meaning assigned to them throughout this Contract.
- 2.11 Words and phrases used in this Contract which are defined or used in any statute or regulation which applies to the subject matter, professional person.
- 2.12 The bid is issued in accordance with Section 217 of the Constitution, The Public Finance Management Act, Treasury Regulations 16A and National Treasury regulations and guidelines.

3. ACCEPTANCE OF A BID

- 3.1 The Department of Health Bid Adjudication Committee is under no obligation to accept any bid.
- 3.2 The financial standing of a bidder and its ability to supply goods or render services may be examined before the bid is considered for acceptance.

4. CERTIFICATE OF COMPLIANCE

- 4.1 Issue/provide the department with a licence/certificate from (SAIA) as proof that they can provide this service.

5. COMPLIANCE WITH SPECIFICATION

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

6. PERFORMANCE STANDARDS

- 6.1 All condemned departmental assets will be transported / towed to the auction sites by the department and at its expense.
 - a) Auctions will take place both online and on-sites, times and conditions as specified by the Department.
 - b) The auctioneer will remove all departmental decals and number plates and ensure that lot numbers are as per goods description.
 - c) Auctioneer will sell goods as is.

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 - e) Auctioneer will provide own administrative assistants at own cost.
 - f) Auctioneer will provide own security guards at own cost to ensure safety and security of disposal assets and bidders on-site.
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 - j) For the auctioning of vehicles, the Department will provide all deregistration certificates while the Auctioneer will procure special permits for unlicensed vehicles.

- k) Auctioneer will advise the department in writing within one day of all unsold vehicles and request for a recalculation of reserve prices.
- l) Information on sale amounts realized and payments to the Department will be sent by auctioneer within 7 (seven) days after the auction otherwise accumulated interest will have to be paid to the Department.

7 QUALITY CONTROL /TESTING OF PRODUCTS AND GUARANTEE

- 7.1 The Department and/or Institution reserves the right to have any product tested with an accredited agent in the Republic of South Africa. The quality control testing administrative procedures will be undertaken by the Department's Supply Chain Management Contract Management section.
- 7.2 If it is discovered that the product supplied is not in accordance with the specification where applicable the following will occur:
 - i. Testing charges will be for the account of Contractor.;
 - ii. Possible cancellation of the contract with Contractor.;
 - iii. Reporting such negligence to the Provincial and National Treasury for listing on the Restricted Suppliers Database.
- 7.3 All goods supplied shall be equal in all respects to samples, patterns or specifications where such are provided. Any changes to quality or brands will have to be approved by the Department, as this is a change to the conditions of the contract.
- 7.4 Should the Department, after the award of the Contract and/or during the manufacture of the goods specified, decide on a variation or alteration to the specification, either at the suggestion of Contractor or otherwise, which will be to the Department's advantage, such variation or alteration shall be performed to the Department's satisfaction. Any variation in the Contract Price arising there from shall be subject to agreement between the Department and Contractor. The variation shall comply with thresholds as prescribed by National Treasury regulations.
- 7.5 Contractor shall not be relieved of its obligations with respect to the sufficiency of the materials and workmanship and the quality of the goods supplied by the reason of no objection having been taken thereto by the Department's Representative at the time the goods were delivered.
- 7.6 If any dispute arises between the Department and Contractor, in connection with the quality and guarantee of the goods, either party may give the other notice in writing of the existence of such dispute, and the same shall thereupon be referred to arbitration in South Africa by a person mutually agreed upon by both parties. The submission shall be deemed to be a submission to arbitration within the meaning of the terms of the arbitration laws in force in the Republic of South Africa.

8. EQUAL BIDS

- 8.1 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.
- 8.2 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.
- 8.3 If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots.

9. LATE BIDS

- 9.1 Bids are permissible to be submitted prior to closing date and time this is to avoid unfortunate or unplanned circumstances that could prevent the bidder from arriving on time during the closing date. If the bidder fail to arrive on time the department will not be held liable.
- 9.2 Bids are late if they are received at the address indicated in the bid documents after the closing date and time.

10. MORE THAN ONE OFFER/ COUNTER OFFERS

- 10.1 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.
- 10.2 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.
- 10.3 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'.

11. ONLY ONE OFFER RECEIVED

- 11.1 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.

12. AWARD OF BID (S)

- 12.1 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. Bidders must ensure that they quote as per the stipulated price page failing which they will be disqualified.
- 12.2 Notification of the intention to award the bid shall be in the same media that the bid was advertised.
- 12.3 In terms of Provincial Treasury 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 Government Tender Bulletin, deliver a written notification of an intention to appeal to Provincial Treasury, Secretariat, Bid Appeals Tribunal, Tel no: 033-897 4200. 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 parties, using service level agreement or Standard Bidding Document for formal contracts.

13. REGISTRATION ON THE CENTRAL SUPPLIER DATABASE (CSD)

- 13.1 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.
- 13.2 Each party to a joint venture/ consortium must be registered on the Central Suppliers Database at the time of submitting the bid.

14. EMPLOYEES TRADING WITH THE ORGANS OF THE STATE

- 14.1 The Public Service Act 103 of 1994 indicates in section 30(1) that “No employee shall perform or engage himself or herself to perform remunerative work outside his or her employment in the relevant department, except with the written permission of the executive authority of the department.”
- 14.2 Furthermore, in terms of the Public Service Regulations paragraph 13(c), “An employee shall not conduct business with any organ of state or be a director of a public or private company conducting business with an organ of state, unless such employee is in an official capacity a director of a company listed in schedule 2 and 3 of the Public Finance Management Act”
- 14.3 If a bidder is found to be employed by the state, through the verification of Central Supplier Database (CSD) Report, DPSA, the bid will be immediately disqualified. If it is discovered during other Computer Assisted Audit Technics, that the bidder is employed by the state, the award or contract will be immediately terminated.

15 TRUST, CONSORTIUM OR JOINT VENTURE

- 15.1 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.
- 15.2 A separate B-BBEE Certificate must be submitted by each company participating in the Trust, Consortium or Joint Venture.
- 15.3 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.
- 15.4 Should this bid be submitted by a Joint Venture, the Joint Venture agreement must accompany the bid document.
- 15.5 The Joint Venture agreement must clearly specify the percentage of the contract to be undertaken by each company participating therein.
- 15.6 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.
- 15.7 No award will be made to a Trust/ Joint Venture/ Consortium that is not tax compliant at the finalisation of the award.
- 15.8 For verification purposes, each party must submit separate proof of TCS/ PIN / CSD number.

16. VALIDITY PERIOD OF BID AND EXTENSION THEREOF

16.1 The validity (binding) period for the bid will be **180 days** from close of bid. 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.

17. CHANGE OF ADDRESS

17.1 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.

18. INVOICES AND PAYMENTS

18.1 All invoices must be submitted in the original format.

18.2 All invoices submitted by the Contractor must contain the word "INVOICE" for non-VAT vendors or "TAX INVOICE" for VAT vendors only. VAT number must be reflected for VAT vendors.

18.3 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.

18.4 A Contractor shall be paid by the institution concerned, in accordance with supplies delivered and services rendered. The goods must be accepted and signed off by the relevant delegated official.

18.5 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. Where discounts or rebates received by the Department, the Contractor to provide credit note.

18.6 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 Logistics and Accounts Payable;
- (ii) If there is no response from Logistics and Accounts Payable, the Finance Manager and the Chief Executive Officer of the institution must be contacted.
- (iii) Failing all of the above, the Contractor must contact the Chief Director: Accounting Services supplying the following details:
 - a) Name/s of person/s contacted at the Institution and dates; and
 - b) Details of outstanding account.
 - c) The Chief Director: Accounting Services will then take the appropriate action.

18.7 The Institutions shall not be responsible for payment of any statutory increases in tariffs or imports or any fluctuations in foreign exchange rate for any item required Contractor, to realise its obligations in terms of this Contract. The rate of exchange, as agreed upon in this Contract is subject to review if stipulated within this contract and as agreed consented by both Parties.

19. STATEMENT OF SUPPLIES AND SERVICES

19.1 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 per each institution, order number, catalogue number, quantity delivered and invoice amount all inclusive.

19.2 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

Note: This information will be submitted at the expense of the Contractor.

20. FIRM PRICES AND ESCALATIONS

20.1 This bid requires that all bid prices offered are firm for the period of the contract. If a non-firm price is offered, the bidder shall be disqualified for not complying with the conditions of the bid.

20.2 It is the responsibility of the bidder to take necessary precautions or to cater or include cover for unfavourable rate of exchange. Therefore, a price adjustment in respect of a rate of exchange claim will not be considered.

21. VALUE ADDED TAX (VAT)

21.1 All bid prices must be inclusive of all applicable taxes, even if the bidder is not a vat vendor.

21.2 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.

21.3 **VAT will not be included** after an award of the bid or during contract management period.

22. ENTERING OF HOSPITAL/CLINIC STORES

22.1 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 or delegated official.

23. DEPARTMENTAL PROPERTY IN POSSESSION OF A CONTRACTOR

- 23.1 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.
- 23.2 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.

24 IRREGULARITIES

- 24.1 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..

25 UNSATISFACTORY PERFORMANCE

- 25.1 In amplification of paragraph 21; 22 and 23 of the GCC, unsatisfactory performance occurs when performance is not in accordance with the contract conditions.
- (i). The institution shall warn the Contractor by registered/certified mail or email 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 and appropriate action such as termination of contract 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.

26 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 Department by registered mail or email. 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.
- e) The restriction period applicable will be based on the value of award/s made to the supplier over a financial year. The table below illustrates the restriction period that will be applicable per the award threshold:

27 CONTRACTOR'S LIABILITY

- 27.1 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 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.
- 27.2 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.

28 RIGHTS TO PROCURE OUTSIDE THE CONTRACT

- 28.1 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.
- 28.2 No provision in a contract shall be deemed to prohibit the obtaining of goods or services from a Department or local authority.
- 28.3 If contracted item/s become available from National Treasury transversal contract, the Department reserve a right to cancel the contract with a winning bidder by giving thirty (30) days' notice. If it in the advantage and interest of the department to participate.

29. PATENTS

- 29.1 The Contractor shall pay all royalties and expenses and be liable for all claims in respect of the use of patent rights, trademarks or other protected rights, and hereby indemnifies the Department against any claims arising there from.

30 WAIVER

- 30.1 The granting by any party of any indulgence or postponement shall not be a waiver of its rights arising from this contract to demand full and specific performance of the contract.
- 30.2 No favour, delay or relaxation or indulgence on the part of any party in exercising any power or right conferred on each party in terms of this contract shall operate as a waiver of such power or right nor preclude any other or further exercises thereof or the exercise of any other power or right under this contract.

31 SUSPENSION

- 31.1 The Department may temporarily suspend whole or part of the supplied goods by providing no less than 5 days written notice to the Contractor, who shall on receipt of such written notice immediately cease the supply the goods. The Department will indicate the date on which the contract will be resumed in the aforementioned notice. No suspension shall exceed a total of 90 days unless otherwise agreed to by the parties in writing.
- 31.2 When the supply of the goods is suspended, the Contractor shall be entitled to pro-rata payment for the goods already delivered and reimbursement of all costs incidental to the prompt and orderly suspension of the contract.
- 31.3 Suspension of the contract shall not prejudice or affect the accrued rights and liabilities of the parties as at the date of suspension.

32 BREACH

- 32.1 Any termination notice referred to in GCC paragraph 23.1 shall be preceded by written notice requiring the defaulting party to remedy a breach of this contract within 14 days of the date of receipt of the notice.
- 32.2 If the defaulting party fails to remedy the breach within the 14 days, the aggrieved party shall be entitled without notice, in addition to any other remedy available to them at law or under this contract:
- 32.3 To claim specific performance of any obligation whether or not the due date for performance has arrived; or
- 34.4 To terminate this contract in accordance with paragraph 23.1 of the GCC, against the defaulting party, in either event without prejudice to the aggrieved party's rights to claim damages.
- 32.5 The Contractor shall immediately advise the Department of the same, upon which the Department shall, in its sole and absolute discretion, decide whether to proceed with this contract or to terminate forthwith. Failure by the Contractor to advise the Department of a conflict of interest shall amount to a material breach of this contract.
- 32.6 A Party shall be deemed to be in breach of this Contract should the Party fail to comply with any material provisions of this Contract.
- 32.7 The aggrieved Party shall be obliged to first attempt to settle the matter by way of consultation with the defaulting Party. If the consultation fails, then the aggrieved Party shall promptly give the defaulting Party fourteen (14) days written notice to remedy the breach. If the defaulting Party fails to comply with such notice, the aggrieved Party may, without prejudice to any other's right at law:
- 32.7.1 Cancel this Contract in the event the defaulting Party committed a material breach.
- 32.7.2 Claim specific performance by the defaulting Party if such is a competent remedy in the circumstance.
- 32.7.3 Claim damages suffered, as limited under this Contract.

33. PREFERENCES

- 33.1 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 Contract and Bid.

34. SEVERABILITY

34.1 The finding of any invalidity to any provision of the contract shall not render the whole contract a nullity. A court of law or arbitrator may sever the invalid provision and the remainder of the contract shall remain enforceable.

35. EXPORT LICENSES

35.1 When orders are placed for goods in respect of which an export licence from the country of origin of supplies is required, Contractor shall:

35.1.1 Not incur any direct or indirect costs in connection with the supply or dispatch of such supplies before they have obtained such license;

35.1.2 If the government of the country from which the supplies are to be exported refuses, or fails to grant such license within three months of the placing of the order, the order shall be considered to be cancelled and no liability will be accepted for any loss or expenses irrespective of the nature thereof, including loss or expenditure suffered or incurred by Contractor or any other person in respect of the production, supply, transportation or delivery of such supplies.

36. INSURANCE

36.1 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.

36.2 Any insurance policies taken out by Contractor to cover goods delivered for a contract must be taken out with a company registered in South Africa in terms of relevant insurance and companies acts.

36.3 The Department and the Contractor must ensure that the insurance remains in force throughout the contract period.

36.4 In the event that the Department requests for such Certificate of Insurance, the Contractor shall submit such Certificate within 5 days, if this was not a mandatory requirement.

37. ESTIMATED QUANTITIES

37.1 The Department is under no obligation to purchase any stock, which is in excess of the indicated quantities of each item. Should there be quantities reflected in the bid forms these will be estimated figures and no guarantee is given or implied as to the actual quantity which will be ordered.

38. EXTENTION OF CONTRACT

38.1 This contract may be extended on a month-to-month basis for a period not exceeding six (6) months, provided that the procedures for the treatment of irregular expenditure are complied with in terms of the National Treasury regulations and the Departmental SCM Policy and delegations.

38.2 Further extension of the contract, authority will be granted by Head of Department: Health, subject to the provisions of National Treasury regulations and instruction notes.

39. CESSION OF CONTRACT

- 39.1 The Contract will be personal to the winning bidder, who shall not sub-let, assign, cede or make over the Contract or any part thereof, or any share of interest therein, to any other person without the written consent of the Department, and on such conditions as it may approve.
- 39.2 This sub-clause shall not apply to sub-contracts given to regular suppliers of winning bidder for materials and minor components relating to the services supplied. The Department reserves the right to require winning bidder to submit, for noting, the names of such sub-contractors to ascertain their registration on the Central Suppliers Database and they must be legal entities.

40. CONTRACT AMENDMENTS / VARIATIONS

- 40.1 In amplification of paragraph 18 of the GCC, any amendments/variations, of the Contract shall come into effect in terms of the conditions contained in on “**Contract Amendments/Variations Register**”. This register must be signed by the duly authorised signatories of winning bidder and the Head of Department: Health or his/her delegated official.
- 40.2 Contracted winning bidder shall not, in performing its obligation, vary from the terms and conditions stated in this Contract whether by way of addition thereto or by way of omission therefrom, without the prior written consent from the Department (Accounting Officer/delegated official), and no claim on the part of winning bidder for any extra payments on the grounds of any alterations or extra work will be entertained.
- 40.3 If, after the commencement of the contract, the cost or duration of the services is altered as a result of changes in, or in additions to, any statute, regulation or by-law, or the requirements of any authority having jurisdiction over any matter in respect of the contract, then the contract price and time for completion shall be adjusted in order to reflect the impact of those changes, provided that, within 14 days of first having become aware of the change, winning bidder shall furnish the Department with a detailed justification for the adjustment to the contract price.

41. INTELLECTUAL PROPERTY

- 41.1 In amplification of paragraph 6 of the GCC, the intellectual property discovered or created as the direct or indirect result of this contract shall remain the property of the Department.

42. INSOLVENCY

- 42.1 In the event to winning bidder institutes insolvency proceedings or has insolvency proceedings involuntarily instituted against it, the Department may terminate this Contract immediately.
- 42.2 In the event of assets and monies issued to winning bidder in terms of this Contract, such assets and monies shall be excluded from the estate of winning bidder and shall be returned immediately upon clause 40.1 coming into effect.

43. DISPUTE RESOLUTION

43.1. If any dispute arises between the Department and Contractor, in connection with the Specification and deliverables, either party may give the other notice in writing of the existence of such dispute, and the same shall thereupon be referred to arbitration in South Africa by a person mutually agreed upon by both parties. The submission shall be deemed to be a submission to arbitration within the meaning of the terms of the arbitration laws in force in the Republic of South Africa

44 DOMICILLIA CITANDI ET EXECUTANDI

For the purpose of this contract, the parties choose their respective domicilia citandi et executandi as follows :

The Department Physical and Postal Address:

| | |
|-------------------|--|
| Department Name | The KwaZulu- Natal Department of Health |
| Physical Address | Natalia Building, 330 Langalibalele Street, Pietermaritzburg, 3201 |
| Postal Address: | Private Bag X9051, Pietermaritzburg, 3200 |
| Telephone numbers | 033 – 395 2111 |
| Telefax: | Nil |

The Contractor or Bidder Physical and Postal Address :

| | |
|-------------------------|--|
| Bidder/ Contractor Name | |
| Physical Address | |
| Postal Address: | |
| Telephone numbers | |
| Telefax: | |
| Email Address | |

44.1 The parties hereby choose domicilium citandi et executandi for all notices and processes to be given and served in pursuance hereof at their respective addresses given on the first page of this Contract. Any notice of any change in such address shall be given in writing by the parties concerned and delivered by hand or sent by registered mail to the other party, upon notification of which address so notified shall serve as the new citandi et executandi.

44.2 A party may at any time change that party's domicilium by notice in writing, provided that the new domicilium is in the Republic of South Africa and consists of, or includes, a physical address at which the process can be served.

44.3 Any notice to a party:

44.3.1 Sent by prepaid registered post in a correctly addressed envelope, to it, shall be deemed to have been received on the 7th (seventh) day after posting unless the contrary is proved);

44.3.2 Delivered by hand to a responsible person during ordinary business hours at the physical address chosen as its domicile, shall be deemed to have been received on the day of delivery; or

44.3.3 Sent by telefax or email to its chosen telefax or email number, shall be deemed to have been received on the date of despatch (unless the contrary is proved).

45 PERIOD OF CONTRACT

45.1 The period of this contract is three years.

PRICING SCHEDULE

| | |
|---------------------|------------------------------------|
| Name of bidder..... | Bid number: ZNB 5101/2023-H |
| Closing Time 11:00 | Closing Date: |

OFFER TO BE VALID FOR 180 DAYS FROM THE CLOSING DATE OF BID.

DESCRIPTION: AUCTIONEER TO PROVIDE AUCTIONEERING SERVICES FOR CONDEMNED, SCRAPPED AND OBSOLETE ASSETS THAT INCLUDES, VEHICLES, OFFICE FURNITURE AND OTHER EQUIPMENT AND SOME MEDICAL AND ALLIED EQUIPMENTS FOR THE DEPARTMENT OF HEALTH ON A 3 YEAR CONTRACT.

- 1. AUCTIONEERING COMMISSION%

- 2. TOTAL COMMISSION WITH VAT %

AMOUNT IN WORD-----

Required by: KZN DEPARTMENT OF HEALTH

-At: VARIOUS HEALTH DISTRICT INSTITUTIONS

Delivery period (on order)

| | | | |
|-----------------------|-------|------------------------|-------|
| | | | |
| (Signature of Bidder) | Date | (Signature of Witness) | Date |