



## correctional services

Department:  
Correctional Services  
REPUBLIC OF SOUTH AFRICA

Private Bag X136, Pretoria, 0001 or 124 Church Street, Poyntons Building West Block, Pretoria, 0001

Enq : [AdvertPerishables@dcs.gov.za](mailto:AdvertPerishables@dcs.gov.za)

Dear bidder

**BID HO 04/2023: APPOINTMENT OF A PANEL OF SERVICE PROVIDERS FOR THE SUPPLY, DELIVERY AND OFF-LOADING OF NUTRITIONAL PRODUCTS (PERISHABLES AND NON-PERISHABLE FOODS) FOR THE DEPARTMENT OF CORRECTIONAL SERVICES FOR A PERIOD OF FIVE (5) YEARS ACROSS ALL SIX (6) REGIONS.**

The Department of Correctional Services requires the item(s)/service(s) as described per attached bid invitation.

You are requested to complete the bid documents and submit it to the address indicated On **Annexure A**.

**Bidders must take note of the following:**

- The closing date of the bid will be at **11h00 am on 18 March 2024** and will be valid for a period of **one hundred and eighty (180) days** after the closing date.
- The name and address of the bidder, the bid number and closing date must be indicated on the envelope. The envelope must not contain documents relating to any other bid.
- It is the responsibility of bidders to ensure that bids reach the address indicated on **Annexure A** before the closing date and time. **No late bids will be accepted.**
- Bidders need to acquaint themselves with the contents of the attached General Conditions of Contract and Special Conditions of Contract.
- It is the responsibility of bidders to ensure that they are registered on the National Treasury Central Supplier Database (CSD).

It will be expected of the successful bidder to sign a formal contract at this office after being notified of the acceptance of his/her bid.



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Yours faithfully

A handwritten signature in black ink, appearing to read 'E.L. Motoma', written over a circular stamp.

.....  
For National Commissioner: Correctional Services

Acting Director : Procurement

E.L. Motoma

Date: 2024/02/20

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## PART A INVITATION TO BID

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)</b>					
BID NUMBER:	HO4/2023	CLOSING DATE:	18 MARCH 2024	CLOSING TIME:	11:00am
DESCRIPTION	<b>APPOINTMENT OF A PANEL OF SERVICE PROVIDERS FOR THE SUPPLY, DELIVERY AND OFF-LOADING OF NUTRITIONAL PRODUCTS (PERISHABLES AND NON-PERISHABLES) FOR THE DEPARTMENT OF CORRECTIONAL SERVICES FOR A PERIOD OF FIVE (5) YEARS ACROSS ALL SIX (6) REGIONS.</b>				
<b>BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)</b>					
<b>BID RESPONSE DOCUMENTS MUST BE DEPOSITED AS PER ANNEXURE A ON THE DOCUMENT.</b>					
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO</b>			<b>TECHNICAL ENQUIRIES MAY BE DIRECTED TO:</b>		
E-MAIL ADDRESS	AdvertPerishables@dcs.gov.za				
<b>SUPPLIER INFORMATION</b>					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
<b>IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?</b> <span style="float: right;"><input type="checkbox"/> YES   <input type="checkbox"/> NO</span>					
<b>DOES THE ENTITY HAVE A BRANCH IN THE RSA?</b> <span style="float: right;"><input type="checkbox"/> YES   <input type="checkbox"/> NO</span>					
<b>DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?</b> <span style="float: right;"><input type="checkbox"/> YES   <input type="checkbox"/> NO</span>					
<b>DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?</b> <span style="float: right;"><input type="checkbox"/> YES   <input type="checkbox"/> NO</span>					
<b>IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?</b> <span style="float: right;"><input type="checkbox"/> YES   <input type="checkbox"/> NO</span>					
<b>IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.</b>					

**PART B**

**TERMS AND CONDITIONS FOR BIDDING**

<b>1. BID SUBMISSION:</b>
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2. <b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.</b>
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4. <b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</b>
<b>2. TAX COMPLIANCE REQUIREMENTS</b>
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

**NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.**

SIGNATURE OF BIDDER: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED: .....  
(Proof of authority must be submitted e.g. company resolution)

DATE: .....

## BDDER'S DISCLOSURE

### 1. PURPOSE OF THE FORM

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

### 2. Bidder's declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest<sup>1</sup> in the enterprise, employed by the state? **YES/NO**

2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

Full Name	Identity Number	Name of institution	State

2.2 Do you, or any person connected with the bidder, have a relationship

---

<sup>1</sup> the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....  
.....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract? **YES/NO**

2.3.1 If so, furnish particulars:

.....  
.....

**3 DECLARATION**

I, \_\_\_\_\_ the \_\_\_\_\_ undersigned, (name)..... in submitting the accompanying bid, do hereby make the following statements that I certify to be true and complete in every respect:

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium<sup>2</sup> will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring

<sup>2</sup> Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.  
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....	.....
Signature	Date
.....	.....
Position	Name of bidder



**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 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

**1.2 PREFERENCE POINT SYSTEM**

a) The applicable preference point system for this tender is the **90/10** 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 To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

	<b>POINTS</b>
<b>PRICE</b>	<b>90</b>
<b>SPECIFIC GOALS</b>	<b>10</b>
<b>Total points for Price and SPECIFIC GOALS</b>	<b>100</b>

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:

**90/10**

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

Where

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

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

#### 3.2.1. POINTS AWARDED FOR PRICE

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

**80/20**

or

**90/10**

$$Ps = 80 \left( 1 + \frac{Pt - Pmax}{Pmax} \right) \text{ or } Ps = 90 \left( 1 + \frac{Pt - Pmax}{Pmax} \right)$$

Where

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

**4. POINTS AWARDED FOR SPECIFIC GOALS**

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

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

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

**NB: Refer to page 28 and 39 of the bid document for allocation of Price and Specification Goals applicable on the bid.**

**DECLARATION WITH REGARD TO COMPANY/FIRM**

- 4.3. Name of company/firm.....
- 4.4. Company registration number: .....
- 4.5. TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

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

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

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



**AUTHORISATION DECLARATION: CONFIRMATION OF SUPPLY AND FINANCIAL ARRANGEMENTS BETWEEN THE BIDDER AND THIRD PARTY**

**BID NUMBER:** HO4/2023

**DESCRIPTION:** APPOINTMENT OF A PANEL OF SERVICE PROVIDERS FOR THE SUPPLY, DELIVERY AND OFF-LOADING OF NUTRITIONAL PRODUCTS (PERISHABLE AND NON-PERISHABLE FOODS) FOR THE DEPARTMENT OF CORRECTIONAL SERVICES FOR A PERIOD OF FIVE (5) YEARS ACROSS ALL SIX (6) REGIONS.

**NAME OF BIDDER:** \_\_\_\_\_

**CLOSING DATE:** 18 MARCH 2024

Are you sourcing the goods or services from a third party? \_\_\_\_\_

*If you have answered YES to the above question, please provide full details from whom the items will be sourced/delivered, in the space provided on the pricing schedule.*

**DECLARATION BY THE BIDDER WHERE THE BIDDER IS SOURCING THE GOODS OR SERVICES FROM A THIRD PARTY:**

1. I, \_\_\_\_\_ (Bidder) hereby declare the following:
  - The goods or services listed below, is being sourced from a third party in order to comply with the terms and conditions of the bid.
  - The third party has been informed of the terms and conditions of the bid and the third party is acquainted with the said terms and the description of the goods or services listed on the (Pricing Schedule).
  - The unconditional written undertaking to supply the goods or services listed in the (Pricing Schedule) in accordance with the terms and conditions of the bid document for the duration of the contract has been received from the third party. See confirmation below.
  - It is confirmed that all financial and supply arrangements for goods or services have been mutually agreed upon between the bidder and the third party.
2. The information contained herein is true and correct.
3. Failure to submit the BD 27 may invalidate the bid.
4. It is acknowledged that the Department reserves the right to verify the information contained herein and if found to be false or incorrect, the Department may invoke any remedies available to it in the bid documents.

**SIGNATURE BY THE BIDDER:**

Signed at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_

Signature \_\_\_\_\_ Full name \_\_\_\_\_

Designation \_\_\_\_\_

**THIRD PARTY UNDERTAKING**

**Note:**

- **A separate Undertaking must be completed by each Third Party;**
- **A letter issued on the official letterhead of the third party addressing the information below is acceptable.**

***To be completed by the third party***

Name of Third Party: \_\_\_\_\_  
Physical Address: \_\_\_\_\_  
Telephone number: \_\_\_\_\_  
Facsimile number: \_\_\_\_\_  
E-mail address: \_\_\_\_\_

It is hereby confirmed that a mutual agreement has been reached between myself and the bidder is therefore authorised to include the products listed in the specification.

We confirm that we have firm supply and financial arrangements in place, and have familiarized ourselves with the item descriptions, specifications and bid conditions relating to the item/s listed in the table above.

**SIGNATURE BY THE THIRD PARTY:**

Signature: \_\_\_\_\_ Full name: \_\_\_\_\_  
Designation: \_\_\_\_\_  
Date: \_\_\_\_\_



# correctional services

Department:  
Correctional Services  
REPUBLIC OF SOUTH AFRICA

## INVITATION TO BID

**ATTENTION: SUPPLY CHAIN MANAGEMENT**

**DEAR SIR / MADAM**

**APPOINTMENT OF A PANEL OF SERVICE PROVIDERS FOR THE SUPPLY, DELIVERY AND OFF-LOADING OF NUTRITIONAL PRODUCTS (PERISHABLE AND NON-PERISHABLE FOODS) FOR THE DEPARTMENT OF CORRECTIONAL SERVICES FOR A PERIOD OF FIVE (5) YEARS ACROSS ALL SIX (6) REGIONS.**

**TENDER NUMBER: HO4/2023**

We hereby confirm that, \_\_\_\_\_,  
has elected to submit proposals in respect of the following categories and regions:

**PLEASE MARK (X)**

REGION	DISTRIBUTION	WAREHOUSING
EASTERN CAPE REGION		
FREE STATE/NORTHERN CAPE REGION		
GAUTENG REGION		
KWAZULU-NATAL REGION		
LIMPOPO/MPUMALANGA & NORTH WEST REGION		
WESTERN CAPE REGION		

(Refer to **Annexure A**: Bid receiving locations)

**NAME & SURNAME**.....

**CAPACITY UNDER WHICH THIS BID IS SIGNED** : .....

**SIGNATURE**.....

**DATE**: .....



**BID NO: HO4/2023**

**APPOINTMENT OF A PANEL OF SERVICE PROVIDERS FOR THE SUPPLY, DELIVERY AND OFF-LOADING OF NUTRITIONAL PRODUCTS (PERISHABLE AND NON-PERISHABLE FOODS) FOR THE DEPARTMENT OF CORRECTIONAL SERVICES FOR A PERIOD OF FIVE (5) YEARS ACROSS ALL SIX (6) REGIONS**

**BID VALIDITY PERIOD: 180 DAYS**

**CLOSING DATE AND TIME OF BID: 18 MARCH 2024 @ (11:00)**





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## ABBREVIATIONS

<b>AFS</b>	Annual Financial Statements
<b>BAC</b>	Bid Adjudication Committee
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>BEC</b>	Bid Evaluation Committee
<b>BSC</b>	Bid Specification Committee
<b>COIDA</b>	Compensation for Occupational Injuries and Diseases Act
<b>CPA</b>	Contract Price Adjustment
<b>CSD</b>	Central Supplier Database
<b>DCS / THE DEPARTMENT</b>	Department of Correctional Services
<b>FSP</b>	Financial Service Provider
<b>EME</b>	Exempted Micro Enterprise
<b>NCR</b>	National Credit Regulator
<b>NdoH</b>	National Department of Health
<b>OCPO</b>	Office of the Chief Procurement Officer
<b>PPR</b>	Preferential Procurement Regulations
<b>QC</b>	Quality Control
<b>QSE</b>	Qualifying Small Enterprise
<b>RFP</b>	Request for Proposal
<b>ROE</b>	Rate of Exchange
<b>SABS</b>	South African Bureau of Standards
<b>SANAS</b>	South African National Accreditation System
<b>SANHA</b>	South African National Halaal Authority
<b>SANS</b>	South Africa National Standards
<b>SARS</b>	South African Revenue Service
<b>SBD</b>	Standard Bidding Document
<b>VAT</b>	Value-Added Tax



<b>DEFINITIONS</b>	
<b>Acceptable Bid</b>	Any bid which, in all respects, complies with the specifications and conditions of the Request for Bid as set out in this document.
<b>Bid</b>	A written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services or goods.
<b>Bidder</b>	Any enterprise, consortium or person, partnership, company, close corporation, firm or any other form of enterprise or person, legal or natural, which has submitted a bid to the Department of Correctional Services in response to this bid invitation.
<b>Comparative Price</b>	The price after deduction or addition of non-firm price factors, unconditional discounts, etc.
<b>Disability</b>	In respect of a person, means a permanent impairment of a physical, intellectual, or sensory function, which results in restricted or lack of ability to perform an activity in the manner or within the range considered normal for a human being.
<b>Distribution</b>	For purposes of this bid, distribution means suppliers who are supplying perishable foods.
<b>Firm Price</b>	The price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition or abolition of customs or excise duty and any other duty, levy, or tax which, in terms of a law or regulation, is binding on the contractor, and demonstrably has influence on the price of any supplies or the rendering cost of any service for the execution of a contract.
<b>Food</b>	"Foodstuff, Cosmetics and Disinfection Act No. 54 of 1972 as Amended "
<b>Functionality</b>	The ability of a bidder to provide goods or services in accordance with specifications as set out in the tender document.
<b>Goods and Services</b>	Any work, equipment, machinery, tools, materials, or anything of whatever nature, to be rendered to the Department of Correctional Services delegate by the successful bidder in terms of this bid.
<b>Management Area</b>	An area as demarcated by DCS, which a group of correctional centres is managed from.
<b>Mandatory Requirements</b>	These are inherent requirements of the bid. Failure to comply or satisfy any of these requirements shall result in the disqualification of the bid during administrative compliance evaluation stage.
<b>Non-Perishables / Non-Perishable Foods</b>	Foods that can be stored in a storeroom without the need for refrigeration for an extended period.
<b>Panel</b>	A database of service providers procured through competitive bidding for the provision of specific services or goods.



<b>Perishables / Perishable Foods</b>	Any foodstuff which, on account of its composition, ingredients, moisture content and/or Ph value, its lack of preservatives and suitable packaging, is susceptible to an uninhibited increase in microbes thereon or therein if the foodstuff is kept within the temperature spectrum of 5C to 60C. This includes perishable foodstuff listed in Government Notice: R1183 of 01 June 1990, as amended, including fruit and vegetables.
<b>Self-Accounting Store</b>	Means a store that is responsible for generating the order(s) as well as the payment(s) thereof.
<b>Warehousing</b>	For purposes of this bid, warehousing means suppliers who are supplying non-perishable foods.



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## PART A: TERMS OF REFERENCE

### BACKGROUND, SCOPE OF WORK AND OVERVIEW

#### 1. BACKGROUND

1.1 The Department of Correctional Services is responsible for maintaining the health and strength of those entrusted to its care, by satisfying their nutritional needs according to internationally and nationally accepted standards and norms.

1.2 The Department of Correctional Services intends to provide nutritional food of appropriate quality that is safe, nutritious, and acceptable to inmates of all categories. Food that is procured must meet the minimum quality and safety standards required by regulatory authorities.

#### 2. PURPOSE

2.1 The purpose of these terms of reference is to appoint a panel of service providers for the supply, delivery and off-loading of nutritional products (perishable provisions and non-perishable provisions) to the Department of Correctional Services for a period of five (5) years in all six (6) regions, with the possible extension.

#### 3. SCOPE OF WORK

3.1 The Department of Correctional Services hereby invites a panel of service providers that will supply, deliver, and off-load perishable and non-perishable goods as and when required, based on the required food supplies in identified regions, including its Management Areas per region as indicated in this RFP.

3.2 The supply and delivery of the goods will be rendered to different Management Areas/ Self-accounting stores located in the different regions. Refer to the table below for the regions and **Annexure B for the Management Areas/Self-Accounting Stores schedule.**



REGIONS	TOTAL NUMBER OF MANAGEMENT AREAS/SELF ACCOUNTING STORES	TOTAL NUMBER OF FACILITIES PER REGION
Eastern Cape	15	45
Free State/Northern Cape	21	48
Gauteng	8	26
Kwa-Zulu Natal	7	42
Limpopo/Mpumalanga/ North West Region	18	38
Western Cape	22	44
<b>Total</b>	<b>91</b>	<b>243</b>

- 3.3 Each region has Management Areas/ Self Accounting stores, and the procurement, supply and delivery of the goods will take place at the Management Areas/Self-Accounting Stores.
- 3.4 In accordance with the National Health Act, 2003: Norms and Standards Regulations in terms of Section 90 (1)(B) and (C) of the National Health Act, 2003 (Act No. 61 of 2003 as amended), applicable to certain categories of health establishment.
- 3.5 The delivery schedule as stated by the Department shall be strictly adhered to by the service providers. All goods supplied to the Management Areas/Self-Accounting Stores should be in accordance with the quality and quantity requirements as mentioned on the purchase order.
- 3.6 Appointed service providers must ensure that they have the capacity to supply the different Management Areas/Self-Accounting Stores in their selected region/s of preference.
- 3.6.1 The prospective bidder/s must bid all items under a category as indicated in this specification. The bidder/s must ensure that food supplies are in line with SABS food hygiene management standard, SANS 22000: Food safety management systems, SANS 100049 and the NdoH regulations governing hygiene requirements, as well as





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the transportation of food, which is governed by in **Annexure C R638 (Regulations Governing General Hygiene Requirements for Food Premises, The Transport Food and Related Matters)**.

- 3.7 The Department has adopted a self-sustainability framework to reduce reliance from service providers for the provision of perishables and non-perishables. The framework will likely have an impact of reducing the order quantities in future as the department develops internal capacity.
- 3.8 **Packaging of non-perishables (dry groceries).**
- 3.8.1 All handling and packaging must comply with all applicable legislative frameworks and the requirements as stipulated per product specification on **pricing schedule Annexure D**.
- 3.8.2 Packaging and labelling of all the groceries must adhere to the provisions as prescribed in the Foodstuffs, Cosmetics and Disinfectants Act legislation.
- 3.8.3 All groceries must have the list of ingredients, preparation instructions and nutritional analysis attached to the packaging.
- 3.8.4 All groceries/food supplies must be in original packaging and must not have been repackaged or relabelled.
- 3.8.5 All groceries must have a shelf life longer than five (5) months from the date of actual delivery to the centre.
- 3.8.6 All groceries must have the expiry date attached and labelled with clearly visible nutritional information.
- 3.9 **Packaging of perishable groceries (fruit and vegetables/fresh produce)**
- 3.9.1 All handling and packaging must comply with all applicable legislative frameworks and the requirements as stipulated in the product specifications in the **pricing schedule Annexure D**.



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- 3.9.2 Fresh fruit and vegetables must comply with the specifications prescribed in **Annexure C R638 (Regulations Governing General Hygiene Requirements for Food Premises, The Transport Food and Related Matters)**
- 3.9.3 Fresh produce must always be fit for human consumption.
- 3.9.4 The packaging of fresh produce must meet the minimum standards as per packaging legislation to avoid legal and legislative non-compliance.
- 3.9.5 Fresh produce of the same quality, cultivar, ripeness, size, and colour may be packed in the same container.
- 3.9.6 Fresh vegetables must be packed in containers and the containers must be marked in clear and legible letters and figures i.e., trademark or physical/postal address of the producer.
- 3.9.7 The containers must always state the class of the fresh produce.
- 3.10 **Storage of dry groceries**
- 3.10.1 All storage at the bidder's warehouse/premises must comply with all applicable legislative frameworks as amended.
- 3.10.2 All dry goods are to be stored in a clean, pest-free, and properly ventilated storage centre.
- 3.11 **Transportation requirements**
- 3.11.1 All items are to be transported under hygienically acceptable conditions and must comply with all applicable legislative frameworks.
- 3.11.2 Service provider/s are required to use vehicles that are roadworthy and have a valid vehicle license in South Africa for the duration of the validity period of the tender.
- 3.11.3 The Department reserves the right to inspect the vehicles to ensure the type of vehicles used are appropriate for the delivery of foodstuffs.



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- 3.11.4 All drivers must be in possession of a valid South African driver's license as a minimum, for the duration of the validity period of the tender.
- 3.11.5 **Refer to Annexure C R638 (Regulations Governing General Hygiene Requirements for Food Premises, The Transport of Food and Related Matters)**



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4. **PRODUCT SPECIFICATIONS: PERISHABLE FOOD ITEMS**

4.1 Perishable food is defined as: "Food that is subject to decay and spoilage". Fresh food items that require cold or freezer storage are highly perishable. It is therefore imperative that good quality products are procured, and that special care is taken during handling and storage to maintain accurate temperatures, controlled humidity, and air circulation to prevent the onset of decay and spoilage that can lead to losses by the State.

5. **PRODUCT SPECIFICATIONS: NON-PERISHABLE FOOD ITEMS**

5.1 Non-perishable food is defined as: "Food that can be stored in a storeroom without the need for refrigeration for an extended period of time." Food items must be stored properly to retain shelf life and original quality.

5.2 Specifications and standards are indicated regarding the following:

- a) Quality characteristics of the product.
- b) Recommended appearance, colour, size, and weight of the product.
- c) Manufacturing methods, packaging, storage, and transportation.
- d) Nutrient content of products.
- e) Labelling of products.
- f) Inspection processes.

**REFER TO PRODUCT SPECIFICATIONS IN ANNEXURE D (PRICING SCHEDULE) .**



**PART B: SPECIAL CONDITIONS OF THE CONTRACT**

**BID DOCUMENT**

**6. INSTRUCTIONS FOR SUBMITTING A PROPOSAL**

6.1 When preparing a response to this invitation to bid, bidders are encouraged to follow the requirements of this bid in detail, to allow for the information contained in a bidder's submission to be read, understood, and evaluated in a common and consistent layout, and to ensure that the information submitted is correct, complete, and well structured.

6.2 All proposals and supporting documentation must be submitted in English.

6.3 Bidders must complete the proposal with black ink.

6.4 All pages of the proposal must be initialled and signed where applicable.

6.5 **Bids received after the closing date and time, at the addresses indicated in the bid document, will not be accepted for consideration and where practicable, be returned unopened to the bidder.**

6.6 **Bidders are allowed to submit their bids at any of the six (6) bid receiving locations. Refer to Annexure A for a list of locations.**

6.7 **A bidder's proposal is required to be submitted in two forms:**

<ul style="list-style-type: none"><li>• 2 x Hard copy submission; and</li><li>• 1 x Soft copy submission</li></ul>	<p>1 x Original hard copy; 1 x Copy of Original; and 1 x Soft copy on a USB.</p> <p><b>A "hard copy submission" means an A4 bound proposal.</b></p>
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6.8 In the soft copy, bidders are required to include a completed pricing schedule in an Excel spreadsheet format, to allow for extraction of information for the purpose of price comparison.

6.9 Bids should be submitted in a sealed envelope or suitable cover on which the name and address of the bidder (company), the bid number and closing date and time are clearly marked.



- 6.10 Bidders must initial each page of the bid document at the bottom right-hand corner.
- 6.11 **Bidders may bid for any commodity grouping (items) in any region for Distribution. In respect of Warehousing, bidders must bid for all the products listed on the pricing schedule in any region as long as the bidders meet the Mandatory Requirements as outlined in this document.**
- 6.12 The department will appoint panels that will provide the required goods and services to be delivered at the different management areas/self-accounting stores.
- 6.13 The bid box will be accessible between 08h00 to 16h30 from Monday to Friday.
- 6.14 **Important dates:**

ACTIVITY	DATE
Advert	20 February 2024
Last day of enquires	08 March 2024
Response to enquiries	12 March 2024
Closing date for submission of proposals	18 March 2024

- 6.15 **Submission format of the bid**
- a) Company profile.
  - b) Administrative document requirements.
  - c) Mandatory document requirements.
  - d) Functional evaluation requirements.

## 7. **ADMINISTRATIVE REQUIREMENTS (NOT FOR ELIMINATION)**

- 7.1 This stage checks and validates the bidder's compliance with the legislative requirements to conduct business in South Africa, as well as to the industry requirements for the supply of goods and services.



7.2 The Department has defined the administrative compliance criteria that must be met by a bidder. The table below contains the administrative documents that are required as part of a bidder’s proposal, which must be completed and signed by the duly authorised representative of the prospective bidder.

7.3 **NB: No points will be allocated at this stage; however, bidders need to ensure that all applicable documentation/information listed below is provided.**

	Returnable Documents/Information	Check list. <input type="checkbox"/> Tick each box
7.3.1	SBD 1: Invitation to Bid: Completed, attached, and signed	
7.3.2	SBD 4: Declaration of Interest: Completed, attached, and signed	
7.3.3	SBD 6.1 Preference Points Claim Form in terms of the Preferential Procurement Regulations 2022: Completed, attached, and signed	
7.3.4	COIDA - Compensation for Occupational Injuries and Diseases Act. (The letter of good standing must be valid at bid closure)	
7.3.5	General Conditions of Contract: Initialled and attached	
7.3.6	Provide SARS TCS Pin to verify tax status: Attached (In bids where consortia/joint ventures/sub-contractors are involved; each party must submit a separate tax clearance certificate.)	
7.3.7	If the bidder is a joint venture, consortium, or other unincorporated grouping of two or more persons/entities, a copy of the joint venture agreement between the members should be provided and indicate the lead partner. All parties should be registered and compliant on the CSD platform. All other JV partners should provide tax clearance certificates.	
7.3.8	Proof of Registration on the Central Supplier Database of National Treasury (For registration information, go to <a href="https://secure.csd.gov.za/">https://secure.csd.gov.za/</a> )	

7.4 **Halaal certificate**

Bidders must submit an original or a certified copy of a (Halaal Certificate). The certificate must be valid at the closing date and time of the bid. Certification thereof must not be older than six (6) months from the closing time and date of the bid. The certificate must be completed and signed for all Halaal products that the bidder is bidding for. The certificate should be valid throughout the duration of the contract and a copy must be submitted when



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delivery takes place.

Only certificates issued by a recognised body such as the National Muslim Prison Board, Muslim Judicial Council, Islamic Council of South Africa, South African National Halaal Authority, the National Independent Halaal Trust or other bodies performing Halaal certification services in accordance with Islamic rights, will be accepted.

This certificate is applicable where bidders have selected a commodity that contains Halaal requirements.

#### **7.5 Tax compliance status**

7.5.1 The successful bidder must be compliant with all applicable tax legislation, including but not limited to the Income Tax Act, 1962 (Act No. 58 of 1962) and Value Added Tax Act, 1991 (Act No. 89 of 1991). It is a condition of this bid that the tax matters of the successful bidder/s be in order at the time the contract is awarded, or that satisfactory arrangements have been made with the South African Revenue Service (SARS) to meet the tax obligations of the respondent.

7.5.2 The tax compliance status requirements are also applicable to foreign respondents/individuals who wish to submit bids.

7.5.3 Where consortia/joint ventures/sub-contractors are involved, each party must be registered on the National Treasury's Central Supplier Database.

#### **7.6 Product specifications**

7.6.1 The Department reserves the right, in its sole discretion and without incurring any liability to the service provider to:

7.6.1.1 Alter the specifications for any product during the contract period.

7.6.1.2 Change the product specification upon prior written notice to the service providers and subject to price negotiation.

7.6.1.3 Withdraw or add any product specification due to operational requirements or as advised by the Department's Directorate: Health Care Services, subject to price negotiation.





## **SECTION A: WAREHOUSING**

**BIDDERS WHO HAVE SELECTED WAREHOUSING MUST COMPLY WITH THE REQUIREMENTS OF SECTION A**

**SECTION A: WAREHOUSING**

**8. EVALUATION CRITERIA**

8.1 The evaluation of the bids will be conducted as follows, in line with the Preferential Procurement Regulation, 2022 as amended:

8.2 The Department will utilise the following methodology and criteria in selecting a preferred suppliers/service provider:

Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
<b>Mandatory Requirements</b>	<b>Functionality Evaluation</b>	<b>Site Inspection</b>	<b>Price and Specific Goals</b>	<b>Recommendation and Award</b>
Compliance with mandatory requirements	Compliance with functional requirements	Compliance with site inspection requirements	Bids evaluated in terms of Preferential Procurement Regulations, 2022	Recommendation and award

**9. PHASE 1: MANDATORY REQUIREMENTS**

9.1 The Department has defined the mandatory compliance criteria that must be met by a bidder. The table below contains the mandatory documents that are required as part of a bidder's proposal.

9.2 Should a bidder select to participate in both Distribution & Warehousing , the bidder will be evaluated on both Mandatory requirements respectively.

9.3 The bidder must respond in the format below. Where additional information is provided/ attached somewhere else, such information must be clearly referenced.

9.4 **Failure to comply with the requirements assessed in Phase 1 (Mandatory Requirements) the bidder will be disqualified.**

NO	MANDATORY REQUIREMENTS
1.	<p><b><u>Delivery Vehicles</u></b></p> <p>Bidders must provide a list of <u>delivery vehicles</u>, along with the following:</p> <ul style="list-style-type: none"> <li>a) Proof of ownership of the vehicles if owned; or</li> <li>b) Lease agreement(s) or an undertaking by the leasing entity if there is intention to lease; or</li> <li>c) A letter of intent signed by both the lessor and the lessee.</li> </ul> <p><u>All the above documentation must be supported by valid license or registration certificate for each vehicle.</u></p> <p>Bidders must submit proof of goods in transit insurance cover to the value of R500,000, as well as proof of vehicle insurance with the appropriate cover for accidents and third-party liability:</p> <ul style="list-style-type: none"> <li>a) 1 x Insulated closed dust proof (panel van or truck) minimum of 2 tons.</li> </ul>
2.	<p><b><u>Business Premises</u></b></p> <p>Bidders must provide a certified copy of the following documents for the premises in which they intend to operate, should they be successful:</p> <ul style="list-style-type: none"> <li>a) Certified Valid Certificate of Acceptability (COA) (Regulation 638 of 22 June 2018), as amended. The COA shall clearly indicate the address of the proposed warehouse from which the service provider will perform the services required under this RFP.</li> <li>b) Proof of ownership or lease agreement for an adequate and satisfactory warehouse facility that complies with Regulation R638, dated 22 June 2018, of the Department of Health.</li> <li>c) The minimum storage space for the warehouse is 300m<sup>2</sup> and proof of a leasing agreement if outsourcing or a letter/municipal bill not older than three (3) months from the closing date of tender is required.</li> </ul> <p>A site inspection shall be conducted at the premises.</p>



NO	MANDATORY REQUIREMENTS						
3.	<p><b><u>Financial Capacity</u></b></p> <p>Bidders must demonstrate financial capacity by providing the following:</p> <p>A bank guarantee or bid guarantee by a South African bank, for an amount in accordance with the table below, depending on the response of the bidder:</p> <table border="1" data-bbox="240 734 1423 1048"> <tr> <td data-bbox="240 734 963 813"><b>Warehousing (bidding for one region or more than one region)</b></td> <td data-bbox="963 734 1423 813"><b>R 10 000 000.00</b></td> </tr> <tr> <td data-bbox="240 813 963 891"><b>Distribution (bidding for one region or more than one region)</b></td> <td data-bbox="963 813 1423 891"><b>R5 000 000.00</b></td> </tr> <tr> <td data-bbox="240 891 963 1048"><b>Warehousing and Distribution (If a bidder is bidding for both Warehousing and Distribution for one region or more than one region)</b></td> <td data-bbox="963 891 1423 1048"><b>R15 000 000.00</b></td> </tr> </table> <p>The guarantee will be cancelled on the earlier of the following:</p> <ul style="list-style-type: none"> <li>a) If the bidder is unsuccessful in the tender and presents a letter confirming same from the client;</li> <li>b) If the bidder is successful in the tender and gets awarded; or</li> <li>c) If more than 180 days has lapsed from the date of the tender submission.</li> </ul>	<b>Warehousing (bidding for one region or more than one region)</b>	<b>R 10 000 000.00</b>	<b>Distribution (bidding for one region or more than one region)</b>	<b>R5 000 000.00</b>	<b>Warehousing and Distribution (If a bidder is bidding for both Warehousing and Distribution for one region or more than one region)</b>	<b>R15 000 000.00</b>
<b>Warehousing (bidding for one region or more than one region)</b>	<b>R 10 000 000.00</b>						
<b>Distribution (bidding for one region or more than one region)</b>	<b>R5 000 000.00</b>						
<b>Warehousing and Distribution (If a bidder is bidding for both Warehousing and Distribution for one region or more than one region)</b>	<b>R15 000 000.00</b>						
4.	<p><b><u>Pricing Schedule</u></b></p> <ul style="list-style-type: none"> <li>a) Bidders must quote and complete the pricing as indicated on the pricing schedule for all the Management Areas of a region of which they have selected.</li> <li>b) Bidders who select Warehousing must quote and complete pricing for all items/products listed and bidders are not allowed to split the items in the specific category/commodity group.</li> </ul> <p><b>Due diligence may also be applied to ensure that pricing is affordable, market related and aligned to end-user requirements.</b></p>						
5.	<p><b><u>Delivery Commitment Letter:</u></b></p> <ul style="list-style-type: none"> <li>a) The bidder shall submit a letter on the company letterhead, committing and binding/obligating the bidder that delivery of the ordered supplies will take place</li> </ul>						



NO	MANDATORY REQUIREMENTS
	<p>within three (3) working days after receipt of the official order.</p> <p>b) The delivery times must be explicit in the letter and shall be between 07h30 and 14h30 from Monday to Thursday.</p>

10. **PHASE 2: FUNCTIONAL EVALUATION**

- 10.1 The bidder's proposal should respond comprehensively to the technical evaluation criteria. The technical evaluation criteria are set out below.
- 10.2 Should a bidder select to participate in both Distribution & Warehousing, the bidder will be evaluated on both Functionality evaluation criteria respectively.
- 10.3 A bidder that scores less than 70 points out of 100 in respect of Functionality will not proceed to the next phase of evaluation, which is site inspection.

No	CRITERIA	SCORING GUIDELINE	POINTS
1	<b>Company Experience</b>	<p>The bidder must provide reference letters and appointment letters, or purchase orders and delivery notes or invoices or contracts <u>not older than 5 years</u>, signed and dated (on the client's letterhead), <b>where the bidder has successfully provided food products or similar projects</b> for contracts with a minimum value of R100 000.00 each.</p> <p>NB: Both the appointment letters, or purchase orders and delivery notes or invoices, or contracts, should include a contract value. Email correspondences will not be accepted as reference letters.</p> <p>Each appointment letter or purchase order and delivery notes or invoices or contracts, for a project must be accompanied by a reference letter for the same project. All letters from same project will be counted as one submission.</p> <p><b><u>Points allocation:</u></b></p> <ul style="list-style-type: none"> <li>• No company experience attached (0)</li> <li>• 1 Reference letter &amp; 1 appointment letter or 1 purchase order and 1 delivery note or 1 invoice or 1 contract (10)</li> <li>• 2 Reference letters &amp; 2 appointment letters or 2 purchase orders and 2 delivery notes or 2 invoices or 2 contracts (20)</li> <li>• 3 Reference letters &amp; 3 appointment letters or 3 purchase orders and 3 delivery notes or 3 invoices or 3 contracts (30)</li> </ul>	<b>50</b>



No	CRITERIA	SCORING GUIDELINE	POINTS
		<ul style="list-style-type: none"> <li>• 4 Reference letters &amp; 4 appointment letters or 4 purchase orders and 4 delivery notes or 4 invoices or 4 contracts (40)</li> <li>• 5 Reference letters &amp; 5 appointment letters or 5 purchase orders and 5 delivery notes or 5 invoices or 5 contracts (50)</li> </ul> <p><b>NB: No points will be allocated for any reference letter/s without an appointment letter/s or purchase order/s and delivery note/s or invoices or contracts /s or vice versa.</b></p> <p><b>The Department reserves the right to verify the appointment letter/s, purchase order/s and delivery note/s, invoice/s, contract/s, and reference letter/s submitted by the bidders.</b></p>	
2	<b>Project Execution Plan</b>	<p>The bidder must provide a detailed project execution plan that demonstrates the bidder's understanding of the requirements of the tender and the bidder's ability to deliver on the requirements, specifically as they relate to the stages of warehousing. Additionally, it must cover the following:</p> <ol style="list-style-type: none"> <li>a) Ability to deliver products with days to expiration (DTE) not less than 60 days.</li> <li>b) Ability to deliver products within three (3) days of receiving the purchase order.</li> <li>c) Ability to deliver emergency orders within one day of receiving purchase orders without increasing price.</li> <li>d) Quality assessment plan, including the remedies for defective goods, which complies with food health and safety standards.</li> <li>e) Demonstrate execution in compliance with the requirements of the technical specifications as outlined in the specifications document.</li> <li>f) Human resources to be allocated for the project.</li> </ol> <p><b>Points Allocation:</b></p> <ul style="list-style-type: none"> <li>• Project plan which does not relate to the requirements (0)</li> <li>• Project plan meets one requirement listed above (5)</li> <li>• Project plan meets two requirements listed above (10)</li> <li>• Project plan meets three requirements listed above (15)</li> <li>• Project plan meets four requirements listed above (25)</li> <li>• Project plan meets five requirements listed above (30)</li> </ul>	30



No	CRITERIA	SCORING GUIDELINE	POINTS
3	<b>Project Risk Plan</b>	<p>The bidder must provide a detailed project risk plan, which demonstrates that the bidder has an in-depth understanding of the risks associated with the delivery of the scope of work, specifically as it relates to the stages of warehousing. The bidder should also detail risk mitigation strategies. Additionally, the project risk plan should address the following:</p> <ul style="list-style-type: none"> <li>a) How to overcome any potential foodstuff/commodity shortages.</li> <li>b) How to deal with unrest during delivery.</li> <li>c) How to deal with vehicle breakdowns.</li> <li>d) How suppliers are sourced and selected.</li> <li>e) How to deal with economic downturn.</li> </ul> <p><b>Points allocation:</b></p> <ul style="list-style-type: none"> <li>• Plan which does not relate to the requirement (0)</li> <li>• Plan meets one requirement listed above (2)</li> <li>• Plan meets two requirements listed above (5)</li> <li>• Plan meets three requirements listed above (10)</li> <li>• Plan meets four requirements listed above (15)</li> <li>• Plan meets all requirements listed above (20)</li> </ul>	20

11. **PHASE 3: SITE INSPECTION**

11.1 Site inspection will ONLY be conducted at addresses given on the below table and with bidders whose bids have satisfied all requirements. Written notice of change of business address must reach the Department before the inspection date.

**ADDRESS/ES WHERE PHYSICAL SITE INSPECTION WILL BE CONDUCTED**

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11.2 Should a bidder select to participate in both Distribution & Warehousing , the bidder will be evaluated on both Site inspection requirements respectively.



- 11.3 It is the responsibility of the bidder to grant access to their premises, provide all the required information and answer all the questions during the due diligence process. Non-compliance with the requirements shall disqualify the bid in whole or part.
- 11.4 Bidders that score a minimum of 70 points in the Site Inspection phase will proceed to the next stage of the evaluation i.e. **Price and Specific Goals**. Bidders that do not meet the minimum requirements of the site inspection will be disqualified.
- 11.5 The Department reserves the right to subject product samples to applicable testing and evaluations to verify compliance with the specifications.
  - a) Failure to comply will disqualify the bid.
  - b) Where applicable, all products must be supplied with nutritional information brochures and labels written in English.
  - c) The following criteria shall be utilised to conduct site inspections:

No	CRITERIA	SCORING GUIDELINE	POINTS
1	<b>Physical Existence of the Premises</b>	<p>The bidder’s premises must have storage rooms.</p> <p><b>Points allocation</b></p> <ul style="list-style-type: none"> <li>• Availability of storage rooms, temperature monitoring and record keeping (30)</li> <li>• Availability of storage rooms, temperature monitoring, without record keeping (20)</li> <li>• Availability of storage rooms without temperature measuring equipment and record keeping (10)</li> </ul>	30
2	<b>Suitable Delivery Vehicle</b>	<p>The bidder must have suitable delivery vehicle/s.</p> <p><b>Points allocation</b></p> <ul style="list-style-type: none"> <li>• Insulated closed dust proof panel van(s) or truck(s) with valid license(s). Minimum 2 tons. (25)</li> <li>• Insulated closed dust proof panel van(s) or truck(s) without valid licenses Minimum 2 tons. (0)</li> </ul>	25
3	<b>Storage Condition</b>	<p>The bidder must have suitable storage conditions.</p> <p><b>Points allocation</b></p> <ul style="list-style-type: none"> <li>• All products stored are on pallets/shelves and labelled, and stock rotation principles are</li> </ul>	25





No	CRITERIA	SCORING GUIDELINE	POINTS
		<p>available/evident with records of storage conditions in place demonstrated (25)</p> <ul style="list-style-type: none"> <li>• Segregation of food products on pallets/shelves and labelled, with no storage conditions in place (conforming and non-conforming) (15)</li> <li>• No products stored on pallets/shelves available/evident and no records of storage conditions in place (0)</li> </ul>	
4	<b>Occupational Health and Safety Practices</b>	<p>The bidder must have suitable Occupational Health and Safety practices.</p> <p><b>Points allocation:</b></p> <p><b>Personal Hygiene</b></p> <ul style="list-style-type: none"> <li>• Are staff fit to work, wearing clean, suitable protective clothing, and following personal hygiene rules particularly hand washing? (4)</li> <li>• Are wash hand basins clean with warm water, soap, and hygienic hand drying facilities? (2)</li> <li>• Are wash hand basins used for hand washing only and used regularly by staff? (2)</li> </ul> <p><b>Pest Control</b></p> <ul style="list-style-type: none"> <li>• Proof of certification by an accredited service provider on a pest control programme? (2)</li> <li>• Are premises pest proofed and free from any signs of pests? (2)</li> <li>• Is food properly protected from risk of contamination by pests? (2)</li> </ul> <p><b>Waste Control</b></p> <ul style="list-style-type: none"> <li>• Is waste in food rooms stored correctly? (2)</li> <li>• Is food waste stored correctly outside and is the refuse area kept clean? (2)</li> <li>• Is unfit food clearly labelled and stored separately from other foods? (2)</li> </ul>	20

12. **PHASE 4: PRICE AND SPECIFIC GOALS**

12.1 The Department will apply/allocate points in accordance with the published preference point system. Bidders will be required to submit a pricing schedule and the following formula will be used.



$$P_s = 90 \left( 1 - \frac{P_t - P_{min}}{P_{min}} \right)^{90/10}$$

Where

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

12.2 In terms of the revised regulation PPPFA 2022, the prescribed threshold amounts and the formula for applying the 90/10 preference point system shall apply.

12.3 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.

CRITERIA	POINTS
PRICE	90
SPECIFIC GOALS	10

12.4 The criteria for the Specific Goal(s) allocated for this RFP is detailed in the table below. Bidders are required to provide valid and sufficient proof as indicated in the table below to claim the preference points indicated.

SPECIFIC GOALS TO BE MEASURED	POINTS ALLOCATED OUT OF MAXIMUM 10 POINTS	PROOF REQUIRED TO ALLOCATE POINTS
Women	3 points	<ul style="list-style-type: none"> <li>Affidavit signed off by SAPS confirming 51% or more women ownership; or</li> <li>B-BBEE certificate issued by an SANAS accredited verification agency; or</li> <li>Sworn affidavit as per DTI prescribed measures or Sworn Affidavit issued by CIPC.</li> </ul>
Youth	3 points	<ul style="list-style-type: none"> <li>Affidavit signed off by SAPS confirming 51% or more youth ownership; or</li> <li>B-BBEE certificate issued by an SANAS accredited verification agency; or</li> <li>Sworn affidavit as per DTI prescribed measures or Sworn Affidavit issued by CIPC.</li> </ul>



<b>Black</b>	2 points	<ul style="list-style-type: none"><li>• Affidavit signed off by SAPS confirming 51% or more black ownership; or</li><li>• B-BBEE certificate issued by an SANAS accredited verification agency; or</li><li>• Sworn affidavit as per DTI prescribed measures or Sworn Affidavit issued by CIPC.</li></ul>
<b>Disability</b>	2 points	Medical certificate signed off by a doctor. The medical certificate must be accompanied by an affidavit signed off by SAPS confirming 51% or more directorship for disabled person.

13. **PHASE 5: RECOMMENDATION AND AWARD**

13.1 The bidder's price will be evaluated per item by allocating a score out of 90, according to the 90/10 price evaluation formula.

13.2 All scores within a category will be added together and prorated out of 90.

13.3 Each bidder's score for a category will be added to the score for Special Goals to determine a total score out of 100.

14. **THE BID ALLOCATION STRUCTURE**

14.1 The bid shall be awarded and allocated in accordance with the number of regions and in terms of Specific Goals and price ranking.

14.2 The price negotiation shall be engaged on with the final winning bidders.

14.3 Bidders will be ranked according to their total score for a category, where the highest scoring bidder will be ranked 1 and so forth.



## **SECTION B: DISTRIBUTION**

**BIDDERS WHO HAVE SELECTED DISTRIBUTION MUST COMPLY WITH THE REQUIREMENTS OF SECTION B**

**SECTION B: DISTRIBUTION**

15. **EVALUATION CRITERIA**

15.1 The evaluation of the bids will be conducted in line with the Preferential Procurement Regulations, 2022 as amended.

15.2 The Department will utilise the following methodology and criteria in selecting preferred suppliers/s or service providers:

Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
<b>Mandatory Requirements</b>	<b>Functionality Evaluation</b>	<b>Site Inspection</b>	<b>Price and Specific Goals</b>	<b>Recommendation and Award</b>
Compliance with mandatory requirements	Compliance with functional requirements	Compliance with site inspection requirements	Bids evaluated in terms of Preferential Procurement Regulations, 2022	Recommendation and award

15.3 The Department has defined the mandatory compliance criteria that must be met by the bidder. The table below contains the mandatory documents that are required as part of a bidder's proposal.

15.4 Should a bidder select to participate in both Distribution & Warehousing, the bidder will be evaluated on both Mandatory requirements respectively.

15.5 The bidder must respond in the format below. Where additional information is provided/attached elsewhere, such information must be clearly referenced.

15.6 **Failure to comply with the requirements assessed in Phase 1 (Mandatory Requirements), bidder will be disqualified.**



NO	MANDATORY REQUIREMENTS						
1.	<p><b><u>Delivery Vehicles</u></b></p> <p>Bidders must provide a list of the following <u>delivery vehicles</u> with:</p> <ul style="list-style-type: none"> <li>a) Proof of ownership if owned; or</li> <li>b) A lease agreement or an undertaking by the leasing entity if intend leasing; or</li> <li>c) A letter of intent signed by both the lessor and the lessee.</li> </ul> <p>This must be supported by valid license or registration certificate of each vehicle.</p> <p>Bidders must submit proof of Goods in Transit Insurance cover to the value of R500,000,00as well as proof of the vehicle/s insured with the appropriate cover for accidents and third-party liability:</p> <ul style="list-style-type: none"> <li>a) 1 x Insulated Closed Dust Proof (Panel Van or Truck) Minimum of 2 tons (for delivery of bread, confectionery, and eggs);</li> <li>and</li> <li>b) 1 x Refrigerated Vehicle (Panel Van or Truck) Minimum of 2 tons (for delivery of meat, fish, dairy products, processed meat, poultry, fresh vegetables and fruits, frozen products).</li> </ul>						
2	<p><b><u>Financial Capacity</u></b></p> <p>Bidders must demonstrate financial capacity by providing the following:</p> <ul style="list-style-type: none"> <li>• A bank guarantee or bid guarantee by a South African bank, for an amount in accordance with the table below, depending on the response of the bidder:</li> </ul> <table border="1" data-bbox="244 1653 1401 2045"> <tbody> <tr> <td data-bbox="244 1653 951 1771"><b>Warehousing (bidding for one region or more than one region)</b></td> <td data-bbox="951 1653 1401 1771"><b>R 10 000 000.00</b></td> </tr> <tr> <td data-bbox="244 1771 951 1890"><b>Distribution (bidding for one region or more than one region)</b></td> <td data-bbox="951 1771 1401 1890"><b>R5 000 000.00</b></td> </tr> <tr> <td data-bbox="244 1890 951 2045"><b>Warehousing and Distribution (If a bidder is bidding for both Warehousing and Distribution for one region or more than one region)</b></td> <td data-bbox="951 1890 1401 2045"><b>R15 000 000.00</b></td> </tr> </tbody> </table>	<b>Warehousing (bidding for one region or more than one region)</b>	<b>R 10 000 000.00</b>	<b>Distribution (bidding for one region or more than one region)</b>	<b>R5 000 000.00</b>	<b>Warehousing and Distribution (If a bidder is bidding for both Warehousing and Distribution for one region or more than one region)</b>	<b>R15 000 000.00</b>
<b>Warehousing (bidding for one region or more than one region)</b>	<b>R 10 000 000.00</b>						
<b>Distribution (bidding for one region or more than one region)</b>	<b>R5 000 000.00</b>						
<b>Warehousing and Distribution (If a bidder is bidding for both Warehousing and Distribution for one region or more than one region)</b>	<b>R15 000 000.00</b>						



NO	MANDATORY REQUIREMENTS
	<p>The guarantee will be cancelled on the earlier of the following:</p> <ul style="list-style-type: none"><li>a) If the bidder is unsuccessful in the tender and presents a letter confirming same from the client;</li><li>b) If the bidder is successful in the tender and gets awarded; or</li><li>c) If more than 180 days has lapsed from the date of the tender submission.</li></ul>
3.	<p><b><u>Delivery Commitment Letter:</u></b></p> <p>The bidder shall submit a letter on the company letterhead committing and binding/obligating the bidder that delivery of the ordered supplies will take place within three (3) working days after receipt of the official order. The bidder must provide the delivery commitment letter for all categories tendered for.</p>
4.	<p><b><u>Pricing Schedule</u></b></p> <ul style="list-style-type: none"><li>a) Bidders must quote and complete the pricing as indicated on the pricing schedule for all the Management Areas of a region of which they have selected;</li><li>b) Bidders who select Distribution must choose a category/commodity grouping in a region and must provide pricing for all items/products listed within the category/commodity grouping. Bidders are not allowed to split the items in the specific category/commodity group selected.</li></ul> <p><b>Due diligence may also be applied to ensure that pricing is affordable, market related and aligned to end-user requirements.</b></p>
5.	<p>Bidders must submit an original or an originally certified copy of certification of compliance not older than six (6) months on transportation of perishable food items. The certificate must be issued by the local municipality, this certificate should be either issued to the bidder or issued to the third – party (supplier).</p>
6.	<p>Bidders must complete and submit an original or certified copy of the attached BD27 form for all the suppliers whom they will be procuring their products from. This form must be signed and stamped by the third party.</p>



16. **PHASE 2: FUNCTIONAL EVALUATION**

- 16.1 The bidder's proposal should respond comprehensively to the technical evaluation criteria. The technical evaluation criteria are set out below.
- 16.2 Should a bidder select to participate in both Distribution & Warehousing, the bidder will be evaluated on both Functional evaluation criteria respectively.
- 16.3 A bidder that scores less than 70 points out of 100 in respect of functionality will be regarded as submitting a non-responsive proposal and will be disqualified.

No	CRITERIA	SCORING GUIDELINE	POINTS
1	<b>Company Experience</b>	<p>The bidder must provide project reference letters and appointment letters, or purchase orders and delivery notes or invoices or contracts, <u>not older than 5 years</u>, signed and dated (on the client's letterhead), <b>where the bidder has successfully provided food products</b> for contracts with a minimum value of R50 000.00 each.</p> <p>NB: Both the appointment letters, or purchase orders and delivery notes or invoices or contracts , should include a contract value. Email correspondences will not be accepted as reference letters.</p> <p>Each appointment letter or purchase order and delivery notes or invoices or contracts for a project must be accompanied by a reference letter for the same project. All letters from same project will be counted as one submission.</p> <p><b>Points allocation</b></p> <ul style="list-style-type: none"> <li>• No company experience attached (0)</li> <li>• 1 Reference letter &amp; 1 appointment letter or 1 purchase order and 1 delivery note or 1 invoice or 1 contract(10)</li> <li>• 2 Reference letters &amp; 2 appointment letters or 2 purchase orders and 2 delivery notes or 2 invoices or 2 contract (20)</li> <li>• 3 Reference letters &amp; 3 appointment letters or 3 purchase orders and 3 delivery notes or 3 invoices or 3 contracts(30)</li> <li>• 4 Reference letters &amp; 4 appointment letters or 4 purchase orders and 4 delivery notes or 4 invoices or 4 contracts (40)</li> <li>• 5 Reference letters &amp; 5 appointment letters or 5 purchase orders and 5 delivery notes or 5 invoices or 5 contracts (50)</li> </ul>	<b>50</b>





No	CRITERIA	SCORING GUIDELINE	POINTS
		<p><b>NB: No points will be given for any reference letter/s without an appointment letter/s or purchase order/s and delivery note/s or invoices or contract/s or vice versa.</b></p> <p><b>The Department reserves the right to verify the appointment letter/s, purchase order/s and delivery note/s, invoice/s, contract/s, and reference letter/s submitted by the bidders.</b></p>	
2	<b>Project Execution Plan</b>	<p>The bidder must provide a detailed project execution plan that demonstrates the bidder's understanding of the requirements of the tender, and the bidder's ability to deliver on the requirements, specifically as it relates to the stages of distribution. At a minimum, it must cover the following:</p> <ol style="list-style-type: none"><li>Ability to deliver fresh products which have not been stored for more than two (2) days.</li><li>Ability to deliver products within three (3) days of receiving the purchase order.</li><li>Ability to deliver emergency orders within one (1) day of receiving purchase orders without increasing price.</li><li>Quality assessment plan including the remedies for defective goods that complies with food health and safety standards.</li><li>Demonstrate execution in compliance with the requirements of the technical specifications as outlined in the specifications document.</li></ol> <p><b>Points allocation</b></p> <ul style="list-style-type: none"><li>Project plan which does not relate to the requirement (0)</li><li>Project plan meets one requirement listed above (5)</li><li>Project plan meets two requirements listed above (10)</li><li>Project plan meets three requirements listed above (15)</li><li>Project plan meets four requirements listed above (25)</li><li>Project plan meets five requirements listed above (30)</li></ul>	30
3	<b>Project Risk Plan</b>	<p>The bidder must provide a detailed project risk plan which demonstrates that the bidder has an in-depth understanding of the risks associated with the delivery of the scope of work, specifically as it relates to the stages of distribution. The bidder should also detail risk mitigation strategies. Additionally, the project risk plan should address the following:</p> <ol style="list-style-type: none"><li>How to overcome any potential food stuff/commodity shortages.</li><li>How to deal with unrest during delivery.</li><li>How to deal with vehicle breakdowns.</li><li>How suppliers are sourced and selected.</li><li>How to deal with economic downturn.</li></ol>	20



No	CRITERIA	SCORING GUIDELINE	POINTS
		<p><b><u>Points allocation</u></b></p> <ul style="list-style-type: none"> <li>• Plan which does not relate to the requirement (0)</li> <li>• Plan meets one requirement listed above (2)</li> <li>• Plan meets two requirements listed above (5)</li> <li>• Plan meets three requirements listed above (10)</li> <li>• Plan meets Four requirements listed above (15)</li> <li>• Plan meets All requirements listed above (20)</li> </ul>	

**17. PHASE 3: SITE INSPECTION**

17.1 Site inspection will ONLY be conducted at addresses given on the below table or the BD27 form for bidders whose bids have satisfied all requirements. Written notice of change of business address must reach the Department before the inspection date.

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17.2 Should a bidder select to participate in both Distribution & Warehousing, the bidder will be evaluated on both Site inspection requirements respectively.

17.3 Addresses where physical site inspection will be conducted must clearly reflect on the BD27 form/s.

17.4 It is the responsibility of the bidder to make prior arrangements for the department to access all their suppliers premises (third-party) and provide all the required information and answer all the questions during the site inspection process. Non-compliance with the requirements shall disqualify the bid in whole or part.



- 17.5 Bidders that score a minimum of 70 points in the Site Inspection phase will proceed to the next stage of the evaluation i.e. Price and Specific Goals. Bidders that do not meet the minimum requirements of the site inspection will be disqualified.
- 17.6 The Department reserves the right to subject product samples to applicable testing and evaluations to verify compliance with the specifications.
- d) Failure to comply will disqualify the bid.
- e) Where applicable, all products must be supplied with nutritional information brochures and labels written in English.
- f) The following criteria shall be utilised to conduct site inspections:

No	CRITERIA	SCORING GUIDELINE	POINTS
1	<b>Physical Existence of the Premises</b>	Does the supplier (third - party) have the following: <ul style="list-style-type: none"> <li>• Availability of storage rooms, temperature monitoring and record keeping (30)</li> <li>• Availability of storage rooms, temperature monitoring without record keeping (20)</li> <li>• Availability of storage rooms without temperature measuring equipment and without record keeping (10)</li> </ul>	<b>30</b>
2	<b>Suitable Delivery Vehicle</b>	Does the supplier (third - party) have the following: <ul style="list-style-type: none"> <li>• Insulated closed dust proof panel van(s) or truck(s) with valid license(s). Minimum 2 tons. (25)</li> <li>• Insulated closed dust proof panel van(s) or truck(s) without valid licenses Minimum 2 tons. (0)</li> </ul>	<b>25</b>
3	<b>Storage Condition</b>	Does the supplier (third - party) have the following: <ul style="list-style-type: none"> <li>• All products stored are on pallets/shelves and labelled, and stock rotation principles are available/evident with records of storage conditions in place demonstrated (25)</li> <li>• Segregation of food products on pallets/shelves and labelled, with no storage conditions in place(conforming and non-conforming) (15)</li> <li>• No products stored on pallets/shelves available/evident and no records of storage conditions in place (0)</li> </ul>	<b>25</b>
4	<b>Occupational Health and Safety Practices</b>	Does the supplier (third - party) have the following: <b>Personal Hygiene</b>	



No	CRITERIA	SCORING GUIDELINE	POINTS
		<ul style="list-style-type: none"> <li>• Are staff fit to work, wearing clean, suitable protective clothing, and following personal hygiene rules particularly hand washing? (4)</li> <li>• Are wash hand basins clean with warm water, soap, and hygienic hand drying facilities? (2)</li> <li>• Are wash hand basins used for hand washing only and used regularly by staff? (2)</li> <li>• <b>Pest Control</b></li> <li>• Proof of certification by an accredited service provider on a pest control programme?(2)</li> <li>• Are premises pest proofed and free from any signs of pests? (2)</li> <li>• Is food properly protected from risk of contamination by pests? (2)</li> <li>• <b>Waste Control</b></li> <li>• Is waste in food rooms stored correctly? (2)</li> <li>• Is food waste stored correctly outside and is the refuse area kept clean? (2)</li> <li>• Is unfit food clearly labelled and stored separately from other foods? (2)</li> </ul>	20

18. **PHASE 4: PRICE AND SPECIFIC GOALS**

18.1 The Department will apply points in accordance with published preference point system. Bidders will be required to submit a pricing schedule and the following formula will be used:

18.2 In terms of the revised PPPFA 2022 regulations prescribed the threshold amounts and the formula for applying the 90/10 preference point system shall apply.

18.3 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.

18.4 For the purposes of this tender the bidder will be allocated points based on the goals stated in table 1 in SBD 6.1 and is to be supported by proof/documentation stated in the conditions of this tender:

CRITERIA	POINTS
PRICE	90
SPECIFIC GOALS	10



18.5 Criteria for Specific Goals allocated for this RFP are detailed in the table below. Bidders are required to provide valid and sufficient proof as indicated in the table below to claim the preference points indicated.

SPECIFIC GOALS TO BE MEASURED	POINTS ALLOCATED OUT OF MAXIMUM 10 POINTS	PROOF REQUIRED TO ALLOCATE POINTS
Qualifying Small Enterprises and Exempted Micro Enterprises	10 points	<ul style="list-style-type: none"> <li>• B-BBEE certificate issued by an SANAS accredited verification agency; or</li> <li>• Sworn affidavit as per DTI prescribed measures or</li> <li>• Sworn Affidavit issued by CIPC.</li> </ul>

**NB: The Department of Correctional Services will only accept an original and valid B-BBEE status level verification certificate or a certified copy of the original not older than six (6) months from the closing date of the bid. The certificate must substantiate their B-BBEE rating and issued by a Verification Agency accredited by SANAS.**

19. **PHASE 4: RECOMMENDATION AND AWARD**

19.1 A bidder's price will be evaluated per item by allocating a score out of 90 according to the price evaluation formula for 90/10.

19.2 All scores within a category will be added together and prorated out of 90.

19.3 Each bidder's score for a commodity grouping will be added to the score for special goals to determine a total category score out of 10.

19.4 Bidders will be ranked according to their total score for a commodity group, where the highest scoring bidder will be ranked 1 and so forth.

20. **CRITERIA FOR BREAKING A DEADLOCK IN SCORING**

20.1 If two or more bidders score an equal total number of points, the contract must be awarded to the bidder who scored the highest number points for Specific Goals.

20.2 If two or more bidders score equal total points in all respects, the award must be decided by the drawing of lots.



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21. **PRICING STRUCTURE AND MARKET RESEARCH**

- 21.1 All prices quoted for must be inclusive of supply, delivery and off-loading costs and all applicable taxes. All prices quotes must inclusive of business overheads, applicable taxes, delivery of charges.
- 21.2 Bidders who select a region of choice must quote and complete all the Management Areas for that region.
- 21.3 Bidders must submit a pricing schedule per Management Area as indicated on the pricing schedule.
- 21.4 Bidders must submit pricing in accordance with the category structure of the pricing schedule.
- 21.5 Bidders who choose a category in a region to bid for must provide pricing for all items/products within a category. **Refer to Annexure D.**
- 21.6 The Department has conducted a market price assessment. Bidders who are perceived to have underquoted their price offers shall be disqualified.
- 21.7 **Prices shall be quoted in South African currency**
- 21.7.1 The bid prices shall be for the unit of measure as indicated in the pricing schedule.
- 21.7.2 Bidders are required to submit responsive bids by completing all the prices, mandatory responsive fields, and item questionnaires on the provided pricing schedule for the individual items.
- 21.7.3 Bidders must indicate their suppliers per line item.
- 21.7.4 Where applicable, bid prices must be inclusive of 15% VAT. For items which are zero rated (brown bread, maize meal, samp, mealie rice, dried mealies, dried beans, lentils, milk powder, dairy powder blend, rice, vegetables, fruits, milk, cultured milk, brown wheaten meal, eggs, edible legumes, and pulses of leguminous plants etc.) bid prices must be inclusive of 0% VAT.
- 21.7.5 Bids that fail to conform to the conditions as set out in this pricing structure and schedule shall be regarded as not acceptable bids.



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Bidders must take note that the Department shall complete the process of evaluation and award in a period of 180 days.



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## PART C: GENERAL INFORMATION

### 22. LEGISLATIVE AND REGULATORY FRAMEWORK

- 22.1 This bid and all contracts emanating therefrom will be subject to the General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999).
- 22.2 The Special Conditions of Contract are supplementary to that of the General Conditions of Contract. Where, however, the Special Conditions of Contract conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.
- 22.3 The legislative framework will be applicable but not limited to the following:
- a) The Constitution of the Republic of South Africa, (Act 108 of 1996), as amended.
  - b) Preferential Procurement Regulations of 2022, as amended.
  - c) Public Finance Management Act (Act 1 of 1999) as amended.
  - d) Promotion of Access to Information Act No 2 of 2000, as amended.
  - e) Promotion of Administrative Justice Act No 3 of 2000, as amended.
  - f) Protection of Personal Information Act No. 4 of 2013, as amended.
  - g) Foodstuffs, Cosmetics and Disinfectants Act, Act 54 of 1972 (as amended by Act No 32 of 1981 and Act No 97 of 1986).
  - h) Meat Safety Act, 2000 (Act No 40 of 2000).
  - i) Occupational Health and Safety Act, 1993 (Act No 85 of 1993) as amended by Occupational Health and Safety Amendment Act, 1993 (Act No 181 of 1993) and Labour Relations Act, 1995 (Act No 66 of 1995).
  - j) Departmental and National Department of Health Nutrition related policies, guidelines, and procedures.
  - k) Government Notice No R.1125 2003, as amended, on the general hygiene requirements for food premises and transportation of food.
  - l) Regulation 638 of 22 June 2018 or R918 or R962 - Regulations governing general hygiene requirements for food premises and the transport of food.
  - m) All other relevant regulations relating to the product specifications.



22.4 These conditions form part of the bid and bidders need to familiarise themselves with the contents thereof.

23. **CONTRACT PERIOD**

The contract period shall be for a period of five (5) years from the date of signing the contract with the option to extend.

24. **PROTECTION OF PERSONAL DATA**

24.1 The successful bidder shall be in full and complete compliance with all applicable laws and regulations.

24.2 In responding to this bid, the Department acknowledges that it may obtain and have access to personal data of the bidder. The Department agrees that it shall only process the information disclosed by the bidder in their response to this bid, for the purpose of evaluating and subsequent awarding of business and in accordance with any applicable laws.

24.3 Furthermore, the Department will not otherwise modify, amend, or alter any personal data submitted by the bidder, disclose, or permit the disclosure of any personal data to any third party without the prior written consent from the bidder. Similarly, the Department requires bidders to process any personal information disclosed by the Department in the bidding process in the same manner.

25. **PARTICIPATION**

25.1 This contract is arranged for all regions listed in **Annexure B** in the Department of Correctional Services.

25.2 The procurement of the group commodities will take place at Management Areas/Self accounting stores.

26. **CERTIFICATION OF DOCUMENTS BY A COMMISSIONER OF OATHS**

26.1 Bidders must ensure that all certified copies comply with the regulations governing the administering of an oath affirmation. The Commissioner of Oaths must append a signature, date and printed out name. Copies that do not comply with this regulation will be regarded as invalid.



26.2 The date of certification of the original on all copies submitted should not be older than six (6) months at the closing date and time of the bid.

26.3 Copies of the certified copies and uncertified copies will not be accepted. Only originally certified documents will be accepted.

27. **SECURITY COMPLIANCE**

27.1 The contractors will be required to adhere to the security compliance requirements of the Department of Correctional Services.

27.2 The successful bidder/s shall ensure compliance with the Departmental security procedures (i.e., identification, access control, searching and prohibition of unauthorised items).

27.3 The successful bidder/s agree that all the staff shall adhere and be subjected to the security regulations applicable to each correctional centre.

28. **PARTICIPATION OF GOVERNMENT OFFICIALS IN THE BIDDING PROCESS**

28.1 In accordance with Sections 118 and 121 of the Correctional Services Act, 1998 (Act 111 of 1998), no member of the Department of Correctional Services may participate in the bidding process of the Department.

28.2 The Public Administration Act, 2014 (Act No 11 of 2014), chapter 3, section 8(2)(a) specifies that an employee of the Department may not conduct business with the Department.

28.3 Bidders having a kinship with persons employed by the Department, including a blood relationship, must declare their interest on the SBD 4 Declaration of Interest form.

29. **REASONS FOR DISQUALIFICATION OR NON-AWARD**

29.1 The Department reserves the right to disqualify/not award a contract to a bidder for one or more of the following reasons, and such disqualification may occur without prior notice to the offending bidder:

- a) Submission of incomplete information and documentation according to the requirements of this RFP document.



- b) Submission of information which contains fraudulent, factually untrue, or inaccurate information.
- c) Receipt of information not available to other potential bidders through fraudulent means.
- d) Failure to comply with mandatory requirements stipulated in the RFP document.
- e) Failure to comply with functional requirements stipulated in the RFP document.
- f) Misrepresented or altered material information in whatever way or manner.
- g) Promised, offered, made gifts, or benefits to any employee of the Department.
- h) Canvassing, collusion, or lobbying to gain unfair advantage.
- i) Committing fraudulent acts.
- j) Causing perceived or actual reputational, financial, or operational risk to the Department.
- k) The bidder is listed in National Treasury's list of restricted/defaulters register.
- l) The bidder is prohibited to do business with state organs.
- m) The bidder is prohibited to do business with the state.
- n) The bidders acted dishonestly and/or in bad faith etc.

30. **ETHICAL DEALINGS**

By submitting a bid, the bidder will be deemed to have confirmed that they are not involved in any form of unethical business practices, and hereby warrants that they shall adhere to all ethical standards required of them by virtue of the professional nature of their business.

31. **FRONTING**

- 31.1.1 The Department of Correctional Services supports the spirit of Broad-Based Black Economic Empowerment and recognises that real development can only be achieved through individuals and business conducting themselves in accordance with the Constitution; and
- 31.1.2 In an honest, fair, equitable, transparent, and legally compliant manner. Against this background the Department of Correctional Services condemns any form of fronting.
- 31.1.3 The Department of Correctional Services, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation process, conduct or initiate the necessary enquiries/investigations to determine the accuracy of the representations made in the bid documents.



31.1.4 Should any of the fronting indicators as contained in the Guidelines on the Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry be established during such enquiry/investigation, the onus will be on the bidder/contractor to prove that fronting does not exist.

31.1.5 Failure to do so within a period of 14 days from the date of notification may disqualify the bid/contract and may also result in the restriction of the bidder/contractor to conduct business with the public sector for a period not exceeding ten (10) years, in addition to any other remedies the Department may have against the bidder/contractor concerned.

## 32. **COMMUNICATION**

32.1 No communication with any procurement official will be allowed during the running period of the bid. All bid-related and technical enquiries should be addressed to the contacts mentioned in paragraph 32 below.

32.2 Communication after the closing date of the bid must be in writing and addressed to the contacts mentioned in paragraph 32 below.

32.3 There is no briefing session for this bid. Bidders are encouraged to familiarise themselves with the Frequently Asked Questions (FAQs). **Refer to Annexure E.**

32.4 The Department may request clarification regarding information provided by bidders. Bidders are to supply the required information within the specified period. Failing to do so will disqualify their bid.

32.5 For specific queries relating to this RFP, Clarification requests should be emailed to [AdvertPerishables@dcs.gov.za](mailto:AdvertPerishables@dcs.gov.za) before 11h00 on 08 March 2024. In the interest of fairness and transparency, the Department's response to such a query will be published on the e-tender portal and Department website.

32.6 Bidders are to note that changes to their submissions will not be considered after the closing date.

32.7 It is prohibited for bidders to attempt, either directly or indirectly, to canvass any officer or employee of Department in respect of this RFP between the closing date and the date of the award of the business.

32.8 Bidders found to be in collusion with one another will be automatically disqualified and restricted from doing business with organs of state for a specified period.

33. **CONTACT DETAILS**

GENERAL	BID ENQUIRIES
<a href="mailto:AdvertPerishables@dcs.gov.za">AdvertPerishables@dcs.gov.za</a>	<a href="mailto:AdvertPerishables@dcs.gov.za">AdvertPerishables@dcs.gov.za</a>

34. **DISCLAIMER**

34.1 The Department reserves the right not to award, to award in part or in full.

34.2 The right is reserved not to accept any of the bids submitted.

34.3 The right is also reserved to withdraw or amend any of the bid conditions by notice in writing to all bidders prior to closing of the bid and post award.

34.4 If an incorrect award has been made, the Department reserves the right to remedy the matter in any manner it may deem fit.

35. **MULTIPLE AWARDS/PANEL OF SERVICE PROVIDERS**

35.1 The Department reserves the right to award the bid items to more than one contractor for the same line item per Management Area. The Department will use its discretion to determine the multiple or split award on the bid, whereby the awarding of the bid to more than one contractor will be based on the following factors:

- a) Risk management for continuity of supply,
- b) Volume of items,
- c) Value of items; and/or
- d) Cost effectiveness.
- e) Stimulation of market competition due to the nature of the commodity.

35.2 The maximum number of items to be awarded per line item, per region will be at the discretion of the Bid Adjudication Committee.



- 35.3 The Department reserves the right to limit the multiple or split award within a reasonable price difference percentage that will be deemed reasonable and cost effective for the Department.
- 35.4 Where necessary, the Department reserves the right to rotate orders within the pool of suppliers awarded the same line item. The details will be outlined and applied during the signing of the service level agreement.
- 35.5 The Department reserves the right not to award the same brand to more than one bidder per line item.
- 35.6 The DCS will endeavour to appoint five (5) suppliers for Warehousing per region, with the exception of Gauteng and KwaZulu - Natal, where ten (10) suppliers will be appointed for Warehousing per region, and five (5) suppliers will be appointed per commodity group (item) for Distribution per region. **However, the Department reserves the right to amend the panel sizes depending on the circumstances.**

<u>REGION</u>	<u>WAREHOUSING</u>	<u>DISTRIBUTION (per commodity)</u>
<b>GAUTENG</b>	10	5
<b>KWAZULU-NATAL</b>	10	5
<b>LIMPOMPO, MPUMALANGA AND NORTH WEST</b>	5	5
<b>EASTERN CAPE</b>	5	5
<b>WESTERN CAPE</b>	5	5
<b>FREE STATE AND NORTHERN CAPE</b>	5	5

- 35.7 The Department reserves the right to limit the award to the bidder in one or more regions as they may deem adequate during the adjudication process.



36. **SUPPLIER DUE DILIGENCE**

- 36.1 The Department reserves the right to conduct due diligence prior to final award or at any time during the contract period. This may include pre-announced or unannounced site visits. The due diligence process may be conducted to also determine the capability of the bidder to service the magnitude of the contract.
- 36.2 During the due diligence process the information submitted by the bidder will be verified and any misrepresentation thereof will disqualify the bid in whole or parts thereof.
- 36.3 The Department reserves the right to also conduct due diligence on the bidder's supplier/s to confirm their capacity to serve as a service provider/s to the bidder. It is the responsibility of the bidder to inform their supplier/s of this requirement. Non-compliance with the requirement may disqualify the bid in whole or parts thereof.
- 36.4 The premises/factory of the bidder and/or their supplier/s should be open at all reasonable hours for the inspection by a representative of the Department as part of the due diligence process. Non-compliance with the requirement may disqualify the bid in whole or parts thereof.
- 36.5 Due diligence may also be applied to ensure that pricing is affordable, market related and aligned to end-user requirements.
- 36.6 Bidders must note that the outcomes of the due diligence process will form part of the bid recommendation and where necessary, be applied to determine the multiple or split award application on the bid or non-award of the bid in whole or parts thereof.

37. **COUNTER CONDITIONS**

Bidders' attention is drawn to the fact that amendments to any of the bid conditions or setting of counter conditions by bidders may result in the disqualification of such bids.

38. **CONTRACT PRICE ADJUSTMENTS (FORMULA)**

- 38.1 Prices submitted for this bid are firm for the first six (6) months from date of signing the contract and will be reviewed every six (6) months thereafter.



- 38.2 Only under exceptional circumstances due to market volatility will prices be reviewed earlier than the six (6) months committed to above.
- 38.3 Price adjustments for perishable and non-perishable items will be based on the Consumer Price Index (CPI) and Product Price Index (PPI).
- 38.4 Applications for price adjustments must be accompanied by documentary evidence in support of any adjustment claim.
- 38.5 The following price adjustment formula will be applicable for calculating contract price adjustments (CPA).

$$Pa = (1 - V)Pt \left( D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + \dots + Dn \frac{Rnt}{Rno} \right) + VPt$$

Pa	=	The new adjusted price to be calculated.
V	=	Fixed portion of the bid price (15% or 0.15).
Pt	=	Original bid price. Note that Pt must always be the original bid price and not an adjusted price.
(1-V)Pt	=	Adjustable portion of the bid price (85% or 0.85).
D1 – Dn	=	Each factor (or percentage) of the bid price, e.g., material, labour, transport, overheads, etc. The total of the various factors (or percentages) D1 – Dn must add up to 1 (or 100%).
R1t – Rnt	=	End Index. Index figure obtained from the index at the end of each adjustment period.
R1o–Rno	=	Base Index. Index figure at the time of bidding.
VPt	=	15% (or 0.15) of the original bid price. This portion of the bid price remains fixed, i.e. it is not subject to price adjustment.

38.6 Formula Component Definitions:

Adjustable Amount

This is the adjustable amount is the portion of the bid price which is subject to adjustment. In this bid the adjustable amount is 85% of the original bid price. For example, if the bid price is R1,000.00, then only R850.00 will be subject to adjustment.

38.7 The fixed portion represents those costs which will not change over the adjustment period and DOES NOT represent the profit margin. In this bid the fixed portion is 15% of the





original bid price. Using the same example as above, the amount of R150.00 will remain fixed over the contract period.

38.8 The cost components of the contract price usually constitute the cost of materials (raw material or finished product), cost of direct labour, cost of transport and those other costs which are inclined to change. The proportions are the contribution to the contract price of each of these cost components.

38.9 Bidders are requested to submit the cost breakdown of the bid price of each item with their bid. Should the cost breakdown be the same for all items on the bid, please indicate it clearly in the bid document. Bidders will not be allowed to change the cost breakdown of bid prices during the tenure of the contract.

<b>Cost Component</b> <i>(Specific to your commodity – well researched with the industry)</i> <i>Provision should be made in the item questionnaires for this breakdown</i>	<b>% Contribution</b>
D1- Food product	
D2 – Labour	
D3 – Packaging	
D4 – Transport	
D5 – Other, (specify)	
<b>TOTAL (Cost components must add up to 100%)</b>	<b>100</b>

38.10 Base Index Date



<b>Adjustment (Contract manager to decide on frequency)</b>	<b>CPA application to reach the office at the following dates</b>	<b>End Index Date</b>	<b>Dates from which adjusted prices will become effective</b>	<b>Dates until which adjusted prices will be effective</b>
1 <sup>st</sup> Adjustment	6 months from date of signing the contract	6 months from date of signing the contract	Month seven (7) from date of signing the contract	Month 12 from date of signing the contract
2 <sup>nd</sup> Adjustment	12 months from date of signing the contract	12 months from date of signing the contract	Month 13 from date of signing the contract	Month 18 from date of signing the contract
3 <sup>rd</sup> Adjustment	18 months from date of signing the contract	18 months from date of signing the contract	Month 19 from date of signing the contract	Month 24 from date of signing the contract
4 <sup>th</sup> Adjustment	24 months from date of signing the contract	24 months from date of signing the contract	Month 25 from date of signing the contract	Month 30 from date of signing the contract
5 <sup>th</sup> Adjustment	30 months from date of signing the contract	30 months from date of signing the contract	Month 31 from date of signing the contract	Month 36 from date of signing the contract
6 <sup>th</sup> Adjustment	36 months from date of signing the contract	36 months from date of signing the contract	Month 37 from date of signing the contract	Month 42 from date of signing the contract
7 <sup>th</sup> Adjustment	42 months from date of signing the contract	42 months from date of signing the contract	Month 43 from date of signing the contract	Month 48 from date of signing the contract
8 <sup>th</sup> Adjustment	48 months from date of signing the contract	48 months from date of signing the contract	Month 49 from date of signing the contract	Month 54 from date of signing the contract
9 <sup>th</sup> Adjustment	54 months from date of signing the contract	54 months from date of signing the contract	Month 59 from date of signing the contract	Month 60 from date of signing the contract

- a) The base index date applicable to the formula is defined as the date at which the price adjustment starts. For this bid the base index date will be the month of signing of the contract.
- b) The end index dates are the dates at predetermined points in time during the contract period. In this bid the end indices are defined in the next paragraph (Price Adjustment Periods).



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- c) Unless prior approval has been obtained from Department of Correctional Services, no adjustment in contract prices will be made.
  - d) Applications for price adjustment must be accompanied by documentary evidence in support of any adjustment.
  - e) CPA applications will be applied strictly according to the specified formula and parameters above, as well as the cost breakdown supplied by bidders in their documents.
  - f) In the event where the supplier's CPA application, based on the above formula and parameters, differs from transversal contracting verification, Transversal Contracting will consult with the supplier to resolve the differences.
  - g) Bidders are referred to the paragraph regarding counter conditions.
  - h) An electronic price adjustment calculator will be available on request from the Department of Correctional Services.
  - i) The Department reserves the right to negotiate a price adjustment or not to grant any price adjustment.
  - j) Perishable and non-perishable foods must be delivered at the places and times indicated by the Management Area/correctional centre.
  - k) The bidder's premises may at any reasonable time be inspected by the Department or its representative.
  - l) Stock must be available for a similar inspection at any stage of preparation.
  - m) All foods delivered in terms of a contract must be subject to inspection and approval by inspectors of the Directorate of Plant and Quality Control of the Department of Agriculture or any assignee designated in terms of section 2(3) (a) of the Agricultural Product Standards Act, 1990 (Act No. 119 of 1990), or medical health officers, where and when available, at the despatching or delivery points.
  - n) Whenever bids are submitted for any article to which the Foodstuffs, Cosmetics and Disinfectants Act, 1973 (Act No. 54 of 1973), and/or the Agricultural Product Standards Act, 1990 (Act No. 119 of 1990), and any regulations made in terms thereof apply. This



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must mean that, if a contract has been entered into for any such article, all such articles must be delivered strictly in terms of the provisions of the said legislation.

39. **ORDERS AND DELIVERIES**

39.1 Orders will be placed by the Management Area/Self-Accounting Store (end user) who will be responsible for payment to contractors for goods delivered and/or services rendered.

39.2 Before delivery of any product in this contract is conducted, the contractor must be in possession of an official order issued by an authorised official of the Department.

39.3 Contractors should note that each individual Management Area/Self-Accounting Store is responsible for generating the order/s as well as the payment/s thereof.

39.4 Contractors should note that the order/s will be placed as and when required during the contract period and the relevant department will specify delivery point/s.

39.5 The instructions appearing on the official order form regarding the supply, dispatch and submission of invoices must be strictly adhered to. Under no circumstances should the contractor deviate from the orders issued by the Department.

40. **QUANTITIES**

40.1 The Department is under no obligation to accept any quantity which is more than the ordered quantity.

41. **PACKAGING AND LABELLING**

41.1 Where applicable, attention is drawn to the packaging requirements stipulated in the product specifications.

41.2 There should be a labelling/description of the delivered items on the outside of the packaging that correspond with the invoice.

42. **DELIVERIES**

42.1 Delivery of goods must be made in accordance with the instructions appearing on the official order forms issued by the relevant Management Area/Self-Accounting Store.



- 42.2 Firm lead times for delivery must be quoted on the bid document for the duration of the contract, however, the Management Area/Self-Accounting Store reserves the right to negotiate specific delivery periods with the contractor(s).
- 42.3 Products must be delivered and off loaded by the contractor in the transit area of delivery period.
- 42.4 Delivery will be accepted on weekdays between 07h30 and 14h30 and bread is also to be delivered on weekends.
- 42.5 A delivery note stating the official order number against which the delivery is effected must accompany all deliveries and dispatches.
- 42.6 Deliveries not complying with the order/specifications will be returned to the contractor at the contractor's expense.
- 42.7 The Department of Correctional Services may postpone or delay deliveries if it finds itself in any such position, because of circumstances beyond its control, which will make it impossible to comply with the specified delivery dates.

43. **SHELF LIFE/ EXPIRY DATES**

- 43.1 Products' shelf life must be as per product specification requirements.
- 43.2 The Department reserves the right to reject short-dated stock.
- 43.3 The Department will not accept expired stock and should the contractor supply such, the cost of removal will be for the account of the contractor.

44. **PENALTIES**

- 44.1 The Department may impose a penalty because of unsatisfactory performance (e.g., poor quality, late delivery, non-delivery, etc.).
- 44.2 The following formula will be utilised for this purpose:

$$Penalty = \left( Vx \frac{10}{100} \right) x N$$

V = Value of delayed goods or services



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N = Number of days of delay

A penalty will be limited to 30% of the value of delayed goods or services.

44.3 In addition to a penalty being imposed, the Department reserves the right to act in accordance with paragraph 21.6 of the General Conditions of Contract, which reads: "Upon delay beyond the delivery period in the case of a supplies contract, the purchases shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier."

44.4 The Department may terminate the contract at its sole discretion due to unsatisfactory performance (e.g., poor quality, late delivery, non-delivery, etc.) during the window period of two (2) months, following the occurrence of the unsatisfactory performance.

45. **PAYMENTS**

45.1 Payments will only be effected by the Department in the following cases:

45.2 The successful completion of a delivery/service in line with the specifications/terms of reference.

45.3 Invoices are delivered, posted, or e-mailed to reach the institution that placed the order timeously.

45.4 The invoices are accompanied by an inspection certificate and/or proof of delivery.

45.5 The Department or Management Areas will not make a payment to or consult with a third party.

45.6 No third party is entitled to put an account of the relevant Management Areas on hold.

45.7 Companies not registered for value-added tax, may not claim VAT on invoices.



46. **CATALOGUE**  
Successful bidders will be required to compile a colour catalogue of all the items awarded within a period of four (4) weeks from contract commencement, which includes the list of items, contract item numbers, product descriptions, product images and brand names.
47. **PRODUCT ADHERENCE/BRAND CHANGE**
- 47.1 In the event where a bidder offers a specific brand against an item and the item is subsequently awarded to the bidder, it is required of the successful bidder to continue to supply the brand awarded throughout the contract period.
- 47.2 If the brand is discontinued and/or replaced with a new brand, the Department of Correctional Services must be notified of such occurrence and upon approval, an official amendment will be issued. The contractor is required to submit supporting documents from the manufacturer substantiating the changes.
- 47.3 It must be noted that the new brand will be required to undergo an evaluation process prior to receiving approval of the brand change issued by the Department of Correctional Services. The new brand must adhere to the technical specifications for the item. The quality of the product must not be lower than that of the initial awarded product.
- 47.4 Furthermore, contractors are to take note that the price of the new brand should not be higher than the current contract price of the original product.
- 47.5 Contractors are not allowed to deliver a new brand other than the brand awarded to them prior to an approval of brand change from the Department of Correctional Services.
- 47.6 If a contract has been concluded based on sourcing the product/s from a specific manufacturer/dealer/distributor and the bidder, if for some or the other reason the contractor changes the manufacturer/dealer/distributor, the Department should immediately be notified and a new BD 27-form (Confirmation of supply arrangements between the bidder and their supplier) should be submitted.
48. **SUPPLIER PERFORMANCE AND CONTRACT MANAGEMENT**
- 48.1 The Department and the contractor will enter into a service level agreement.
- 48.2 The Department of Correctional Services will conduct meetings with the end users and contractors to discuss contracting issues.



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- 48.3 Contracted suppliers must notify the Department of Correctional Services in writing of any unforeseeable circumstances that may adversely affect supply against the contract. The notification must be done 21 days before the expected delivery date.
- 48.4 The Department of Correctional Services will monitor the performance of contracted suppliers for compliance with the terms of this contract as follows:
- 48.5 Compliance to delivery lead times.
- 48.6 Percentage of orders supplied in full first time.
- 48.7 Compliance with reporting requirements according to the reporting schedule.
- 48.8 Any change in the status in supply performance during the contract period must be reported within seven (7) days of receipt of such information to the Department of Correctional Services.
- 48.9 The contractor shall not abandon, transfer, assign or sublet a contract or part thereof without the prior written approval from the Department.
- 48.10 The contractor must inform the relevant institution immediately when unforeseeable circumstances will adversely affect the execution of the contract. Full particulars of such circumstances as well as the period of delay must be furnished.
- 48.11 Contract performance management will be the responsibility of the Management Area/ Self-Accounting Store (end user) and where supplier performance disputes cannot be resolved between the contractor and the relevant purchasing institution, the Directorate Contract Management will be informed for corrective action.
- 48.12 Where a contracted supplier plans to merge with or is going to be acquired by another entity, the contracted supplier must inform the Department of Correctional Services in writing thirty (30) days prior to such event of relevant details.
- 48.13 The Department reserves the right to agree to the transfer of contractual obligations to the new supplier under the prevailing conditions of contract or to cancel the contract.
- 48.14 A contracted supplier must inform the Department of Correctional Services within 14 days of any changes of address, name, contact or banking details.





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49. **BREACH OF CONTRACT**

49.1 The Department of Correctional Services reserves the right to terminate the contract(s) for a contractor's failure to honour any contractual obligations, including submission of information.

50. **SETTLEMENT OF DISPUTES**

50.1 Should any dispute arise from the contract, paragraph 27 of the General Conditions of Contract shall apply.

51. **TERMINATION**

51.1 The Department shall be entitled to terminate this Agreement if one or more of the following occur:

- a) The service provider is provisionally or finally liquidated, making it impossible for the service provider to perform their functions in terms of this contract.
- b) The service provider enters into settlement arrangements with their creditors.
- c) The service provider commits an act of insolvency.
- d) If the service provider is a member of an unincorporated joint venture or consortium and the membership of such joint venture or consortium changes.

51.2 The Department reserves its right to terminate the contract if there is a change in ownership of the service provider that has the effect that the over 50% ownership of the service provider belongs to the new owner without prior approval of the Department.

51.3 Either party may terminate this contract for breach if the other party fails to comply with any of their obligations in terms of this contract and having failed to remedy such breach within fourteen (14) calendar days' written notice to remedy such non-compliance.

51.4 Notwithstanding the provisions above, either party may terminate this contract by giving the other party thirty (30) days' written notice to that effect.



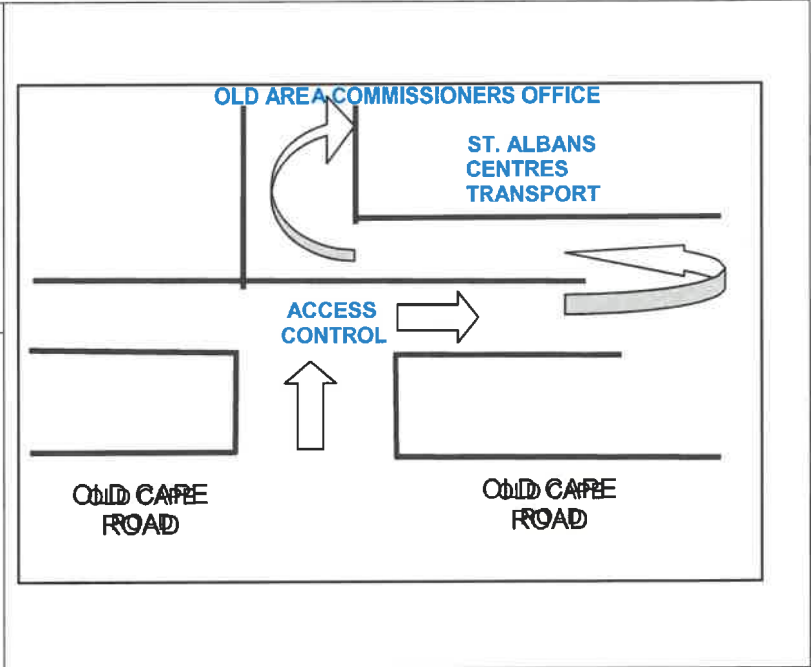
**BID RECEIVING LOCATION**

**BID DOCUMENTS MAY BE POSTED TO/ DEPOSITED IN THE BID BOX SITUATED AT:**

**EASTERN CAPE REGION**

**BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT:**

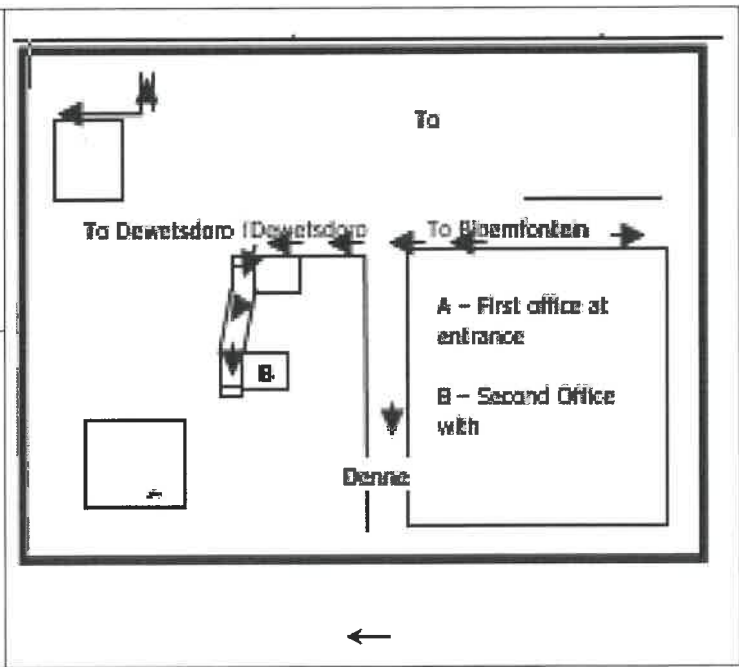
DEPARTMENT OF CORRECTIONAL SERVICE: ST. ALBANS  
OLD CAPE ROAD  
ST. ALBANS  
PORT ELIZABETH



**FREE STATE AND NORTHERN CAPE REGION**

**BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT:**

THE MAIN GATE OF GROOTVLEI,  
DEWETSDORPROAD,  
BLOEMFONTEIN,  
9300





## GAUTENG REGION

**BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT:**

DEPARTMENT OF CORRECTIONAL SERVICES NO 3  
SHENGANI STREET,  
SKANSKOP PRETORIA, 0002

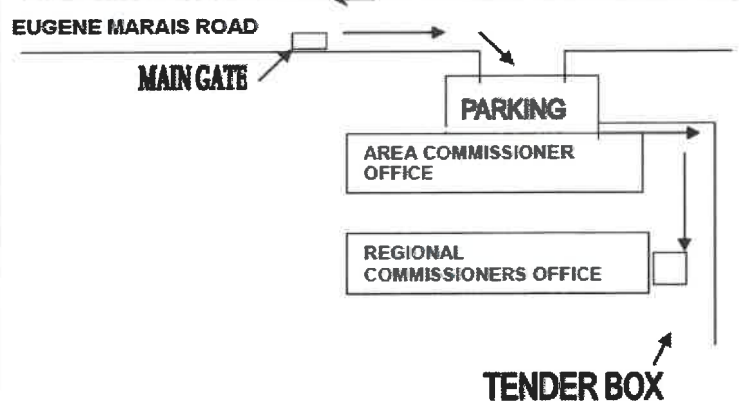
## KWAZULU NATAL REGION

**BID RESPONSE DOCUMENTS MAY BE POSTED TO:**

THE REGIONAL COMMISSIONER  
DEPARTMENT OF CORRECTIONAL SERVICES  
PRIVATE BAG X9126  
PIETERMARITZBURG  
3200

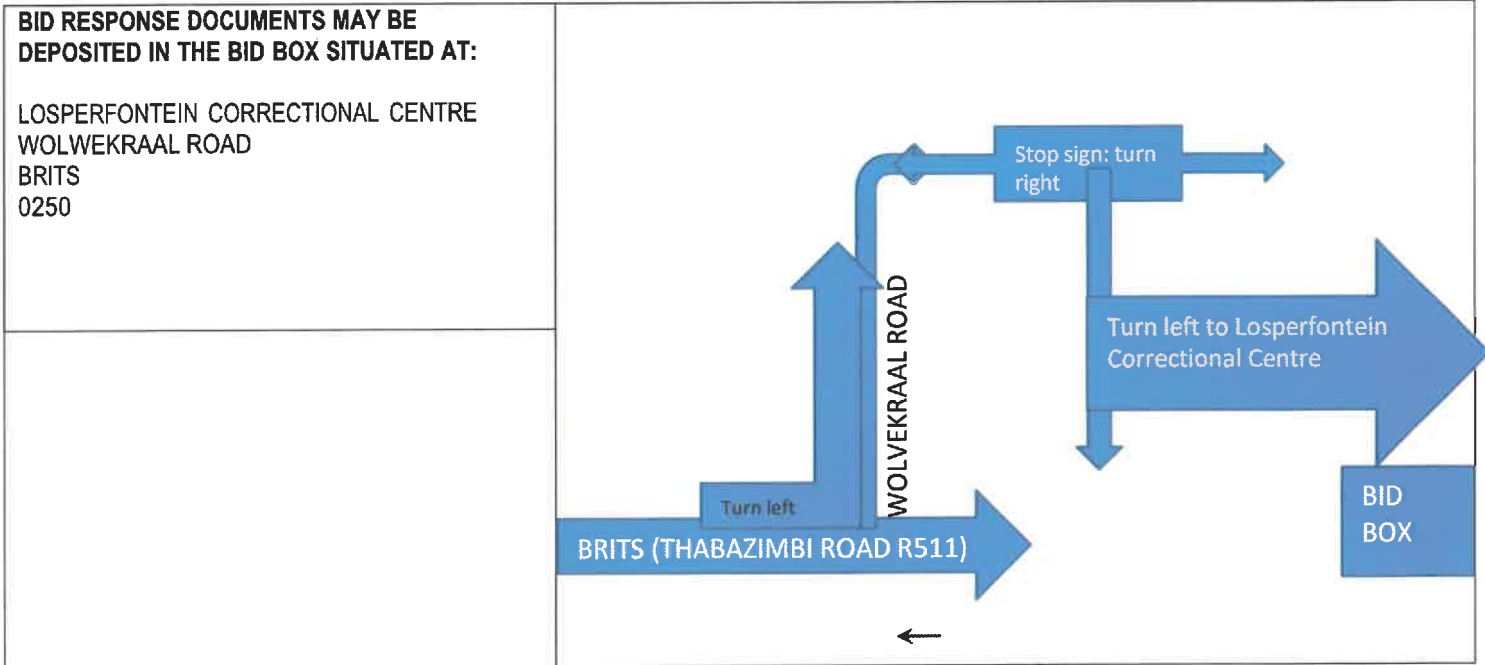
**BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT:**

EUGENE MARAIS ROAD  
PIETERMARITZBURG  
3201





**LIMPOPO, MPUMALANGA AND NORTH WEST REGION**



**WESTERN CAPE REGION**

<p><b>BID RESPONSE DOCUMENTS MAY BE POSTED TO:</b></p> <p>DEPARTMENT OF CORRECTIONAL SERVICES REGIONAL OFFICE WESTERN CAPE BREDE RIVER ROAD MONTAQUE DRIVE MONTE VISTA 7460</p>
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<b><u>ANNEXURE B: MANAGEMENT AREA /SELF ACCOUNTING STORES</u></b>	<b><u>POSTAL ADDRESS</u></b>	<b><u>PHYSICAL ADDRESS</u></b>
<b>NORTHERN CAPE &amp; FREE STATE REGION:</b>		
Bizzah Makhate	Witkantblom St, Kroonstad Rural, Kroonstad, 9499	Witkantblom St, Kroonstad Rural, Kroonstad, 9499
Colesberg	P/Bag XS, Colesberg, 9795	Petrusville Road, Colesberg, 9795
De Aar	P/Bag X1007, De Aar,7000	41 Grabler Street, De Aar,7000
Goedemoed	P/Bag X1007, Aliwal-North, 9750	Road between Aliwal-North and Bethulie
Edenburg	P/Bag X9, Edenburg, 9908	6 Fourie Street, Edenburg,9908
Fauresmith	P/Bag X06, Fauresmith,9978	2 West End Street,Fauresmilh,9978
Groenpunt	P/Bag X060, Vereeniging, 1930	Groenpunt Prison,Deneysville Road
Sasol burg	PO Box 14, Sasolburg, 9570	C/O Klasie Havenga & Steed Street, Sasolburg, 9570
Vereeniging	P/Bag X08, Vereeniging,1930	57 Lager Street, Leeuhof,1930
Grootvlei	P/Bag X20547,Bloemfontein, 9300	Grootvlei Prison,Dewetsdorp Road, Bloemfontein, 9300
Brandlort	P/Bag X7, Brand fort, 9400	11 Voortrekker Street,Brand fort, 9400
Kimberley	P/Bag X5036, Kimberley, 8300	Smitsdrill, Kimberley, 8301
Douglas	P/Bag XI, Douglas 8730	Prieska Street, Douglas, 8730

Bethlehem	P/Bag X59, Bethlehem, 9700	President Boshof Street, Bethlehem West, Bethlehem, 9700
Harrismith	P/Bag X877, Harrismith,9880	End of Laksman Street,Harrismith, 9880
Odendaalsrus	P/Bag X6, Odendaalsrus,9480	C/O Erica and Freezia, Way, Odendaalsrus, 9480
Ventersburg	P/Bag X2, Ventersburg,9450	President Swart Street, Ventersburg, 9450
Virginia	P/Bag X 15, Virginia, 9430	Bloudrif Road, Virginia,9430
Upington	P/Bag X5942, Upington,8800	Diedericks Avenue,Upington
Kuruman	P/Bag X 1511, Kuruman,8460	Ochre Street, Kuruman,8460
Springbok	P/Bag X6, Springbok, 8240	38 Van Riebeeck Street,Springbok,8240
<b>WESTERN CAPE REGION:</b>		
Pollsmoor Management Area	Pollsmoor Correctional Centres Oukaapse Road, TOKAI	Oukaapse Road TOKAI
Drankenstein Correction Centre	PO Box PRIVATE BAG X6005 SUIDER-PAARL Postal Code 762	SUIDER-PAARL, Drankenstein
Southern Cape	GEORGE UNIESTRAAT GEORGE PO Box PRIVATE BAG X6539 GEORGE	GEORGE UNIESTRAAT GEORGE PO Box PRIVATE BAG X6539 GEORGE
Riebeeck West Correctional Centre	Church street, RIEBEECK WEST	Church street. RIEBEECK WEST

Voorberg Management Area	PORTERVILLE, R44	PORTERVILLE, R44
Vanrhynsdorp Correctional Centre	Church Street, VAN RYNHSDORP	Church Street, VAN RYNHSDORP
Goodwood Management Area	Peninsula Drive, MONTE VISTA	Peninsula Drive, MONTE VISTA
Breede River Management Area	Cnr Somerset & Durban Street WORCESTER	Cnr Somerset & Durban Street WORCESTER
Robertson Correctional Centre	Van Oudshoorn Street, ROBERTSON	Van Oudshoorn Street, ROBERTSON
Warmbokveld Correctional Centre	Bo Swaarmoed Road, CERES	Bo Swaarmoed Road, CERES
Dwarsrivier Correctional Centre	R43 De Liefde Road, WOLSELEY	R43 De Liefde Road, WOLSELEY
Allandale Correctional Centre	Meaker Street, HUGUENOT	Meaker Street, HUGUENOT
Hawequa Correctional Centre	Addy Street, WELLINGTON	Addy Street, WELLINGTON
Obiqua Correctional Centre	Kruisvallei Weg, TULBAGH	Kruisvallei Weg, TULBAGH
Knysna Correctional Centre	66 Rio Street, Rexford KNYSNA	66 Rio Street, Rexford KNYSNA
Oudtshoorn Correctonal Centre	Upper Victoria Street, OUDTSHOORN	Upper Victoria Street, OUDTSHOORN
Mosselbay Correctional Centre		

	Louis Fourie Road Boplaas, MOSELBAY	Louis Fourie Road Boplaas, MOSELBAY
Malmesbury	Private Bag X09 Malmesbury Postal Code 7300	OFF N7 Nat Road CENTRAL MALMESBURY TOWN MOLL STREET 2G MALMESBURY
Helderstroom Correctional Centre	Helderstroom Farm Route 43 / Greyton Road, CALEDON	Helderstroom Farm Route 43 / Greyton Road, CALEDON
Caledon Correctional Centre	Chavonnes Road, CALEDON	Chavonnes Road, CALEDON
Buffeljagsrivier Correctional Centre	Andrew White Street, SWELLENDAM	Andrew White Street, SWELLENDAM
Brandvlei Correctional Centres	Rawsonville Road (Between Rawsonville and Worcester) off the R43, WORCESTER	Rawsonville Road (Between Rawsonville and Worcester) off the R43, WORCESTER
<b>EASTERN CAPE REGION:</b>		
Burgersdorp	On the Ventersstad RD Burgersdorp,9744	On the Ventersstad RD Burgersdorp, 9744
Butterworth	56 Academy Street Butterworth, 4960	56 Academy Street Butterworth, 4960
Cradock	R10 Middleburg RD Industrial Area Cradock, 5880	R10 Middleburg RD Industrial Area Cradock,5880
East London	25 Bank Street West Bank East London, 5201	25 Bank Street West Bank East London, 5201
Fort Beaufort	No. 2 Fraser Street Fort Beaufort, 5720	No. 2 Fraser Street Fort Beaufort, 5720
Grahamstown	Rautenbach RD Industrial Area Waainek, Grahamstown	



		Rautenbach RD Industrial Area Waainek, Grahamstown
King Williams Town	No. 1 Reserve RD, King Williams Town 5600	No. 1 Reserve RD, King Williams Town 5600
Kirkwood	57710 Korhaansdrift RD Korhaansdrift, Kirkwood, 6120	57710 Korhaansdrift RD Korhaansdrift, Kirkwood, 6120
Lusikisiki	Lusikisiki Correctional Centre Magwa RD, Lusikisiki 4820	Lusikisiki Correctional Centre Magwa RD, Lusikisiki 4820
Mdantsane	12 Qumza Highway Golden Highway, Mdantsane , 5219	12 Qumza Highway Golden Highway, Mdantsane , 5219
Middelburg	Van Nie Kerk Street Middelburg, 5900	Van Nie Kerk Street Middelburg 5900
Middle -drift	R63 ROAD PRIVATE BAG X 6 MIDDLEDRIFT 5685	R63 ROAD PRIVATE BAG X 6 MIDDLEDRIFT 5685
Mthatha	Wellington Farm Prison R61 Road to Engcobo Mthatha, 5099	Wellington Farm Prison R61 Road to Engcobo Mthatha, 5099
Sada	PRIVATE BAG X 346 WHITTLESEA 5360	1 CURT BERG ROAD WHITTLESEA 5360
St albans	PRIVATE BAG X6055 PORT ELIZABETH 6000	OLD CAPE ROAD PORT ELIZABETH 6001
<b>GAUTENG REGION:</b>		
Baviaanspoort	PRIVATE BAG X1 LYNN EAST PRETORIA 0039	BAVIAANSPOORT TRANSWARE CULLINAN ROAD, LYNN EAST PRETORIA 0039

Boksburg	Private Bag X 54, Boksburg, 1460	C/O Barry Marais and North Boundry Rd, Van Dyk Park, 1460
Johannesburg	Private Bag X 04 Mondeor 2110	No. 9 Main Street, Meredale, Southgate, Johannesburg
Kgosi Mampuru	Private Bag X 45, Pretoria, 0001	No 3 Shengeni Street, Skanskop, Pretoria, 0002
Krugersdorp	Private Bag X 2023 Krugersdorp, 1740	Corner Luipaard and Crematorium Streets, Krugersdorp 1739
Leeuwkop	Private Bag X 2 Bryston 2021	1 Main Road Khayalami Bryanston 2021
Modderbee	Private Bag X 1045, Benoni, 1500	CNR Kingsway Highway and Moddereast Road
Zonderwater	Private Bag X1003, Zonderwater, Cullinan, 1000	7 Jakaranda street, Zonderwater Prison, Cullinan, 1000
<b>LIMPOPO, MPUMALANGA &amp; NORTH WEST:</b>		
Polokwane Correctional Services	Cnr Hospital Street and Landros Mare Street, 699	Cnr Hospital Street and Landros Mare Street 0699
Rooigrond Correctional Services	R503 Lichtenburg Road. Rooigrond, Mafikeng, 2745	R503 Lichtenburg Road. Rooigrond, Mafikeng, 2745
Rustenburg Correctional Services	PRIVATE BAG X82101 RUSTENBURG 0300	R510 THABAZIMBI ROAD RUSTENBURG 0299
Thohoyandou Correctional Services		

	Thengwe Road Vondwe Village Sibasa 0970	Thengwe Road Vondwe Village Sibasa 0970
Witbank Correctional services	Old Verena Road Clarinet, Witbank, 1035	Old Verena Road Clarinet, Witbank, 1035
Ermelo orrectional Centre	Morgenzon Road Ermelo, 2350	Morgenzon Road Ermelo,2350
Losperfontein Correctional Centre	Losperfontein Wolwekrans Brits, 250	Losperfontein Wolwekrans Brits, 250
Makhado Correctional Centre,	106 Anderson street Makhado, 920	106 Anderson street Makhado, 920
Middleburg Correctional Centre	22 hoop Street, Middleburg 1050	22 hoop Street, Middleburg 1050
Modimolle Correctional Centre	81 Mandela Drive Modimolle, 510	81 Mandela Drive Modimolle, 510
Mogwase Correctional Centre	Pilansberg Road, 314	Pilansberg Road, 314
Nelspruit Correctional Centre	PRIVATE BAG X11216 NELSPRUIT 1200	07 Henshall Street Nelspruit, 1200
Potchefstroom	CNR Schoemansdrift & Vyfhoek Streets, Potchefstroom,2520	CNR Schoemansdrift & Vyfhoek Streets, Potchefstroom,2520
Standerton	Bauman Street (R50) Standerton,2430	Bauman Street (R50) Standerton,2430
Volksrust	De Jager Street Volksrust, 2470	De Jager Street Volksrust, 2471

Barberton	01 Kruger Street Barberton,1300	01 Kruger Street Barberton, 1300
Bethal Correctional Centre	Clerq Street, Bethal 2310	Clerq Street, Bethal 2310
<b>KWAZULU NATAL REGION:</b>		
Pietermaritzburg Management Area	1 Eugene Maraise Road, Pietermaritzburg	1 Eugene Maraise Road, Pietermaritzburg
Durban Management Area	1 Harry Gwala Road, Durban Westville	2 Harry Gwala Road, Durban Westville
Empangeni Management Area	Cnr Main Road and Gwalagwala Avenue, Mpangeni	Cnr Main Road and Gwalagwala Avenue Mpangeni
Kokstad Management Area	8 Sparrow Road, Kokstad	8 Sparrow Road, Kokstad
Waterval Management Area	78 Voor Street, Utrecht	78 Voor Street, Utrecht
Glencoe Management Area	Bigger Street, Glencoe	Bigger Street, Glencoe
Ncome Management Area	Blood Riever, Vryheid	Blood Riever, Vryheid



**correctional services**

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## ANNEXURE E

**Panel of Service Providers for The Supply, Delivery, and Off-Loading Of Nutritional Products (Perishable And Non-Perishables) For The Department Of Correctional Services For A Period Of Five (5) Years across all six (6) Regions.**

### FREQUENTLY ASKED QUESTIONS AND ANSWERS FOR THE TENDER

No	Question	Answer
1	How should we submit the bid	Each bid should be submitted in a separate, sealed envelope or suitable cover on which the name and address of the bidder (company), the bid number and the closing date and time must be clearly endorsed.
2	Can a bidder submit 6 ton truck and how will it be evaluated ?	The TOR requires a minimum 2 ton truck . A bidder may submit any truck bigger than 2 ton truck, as long as it meets the TOR requirement.
3	Is Public Drivers Permit (PrDP) a requirement	No bidder will be disqualified for not submitting a (PrDP)
4	If the floor space includes Mezzanine floor and office space will it be included on the 300 square meters?	No Mezzanine floor and office space will be excluded. The area where the food is stored must not be less than 300 square meters
5	What if the car rental company does not have the cars onsite on that day of the site visit?	If the cars are not available on the day of the site visit the bidder will score a zero
6	Will bidders be informed about the site visit or is it going to be a surprise site visit	Bidders will be notified about the site visit



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7	Who can participate in government tenders in South Africa?	Generally, any registered business or entity that meets the tender requirements can participate in government tenders.
8	Can I request for the dates to be changed on my reference letter because the service was rendered more than 5 years ago?	The letter must not be more than 5 years old as indicated in the bid documents
9	What documents are required for tender submission?	The TOR specify the documents required for each stage of the evaluation.
10	How are tender awards determined?	The functional evaluation criteria, price & specific goals, and compliance with the given mandatory requirements are usually some of the variables that determine the tender awards..
11	How long does it take to finalize the submitted bid	The time frame can vary; however this bid is valid for 180 days from bid closing.
12	Can a JV submit 2 sworn affidavits or 2 BBBEE certificates?	Only joint BBBEE certificate will be accepted
13	Can I arrange with a third party in case I am not keeping stock of the item required	Yes, Any bidder who does not normally keep stock of the item and is sourcing the goods and services from a third party (manufacturer/producer or dealer/distributor who normally keeps stock) for the purpose of delivering the item to the Department, must ensure that the attached BD 27 is completed by his/her supplier after they have familiarized themselves with the item(s)/ description(s)/ specifications and conditions of the bid for all relevant goods and services required from this bid.



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		In the event that the "Authorization Declaration" (BD 27) form is not completed, the bidder must submit the signed third party's authorization declaration letter on the third party's letterhead.
14	Can I amend my tender submission after it has been submitted?	The tender submission may be made available to the bidder provided that the tender has not closed. Once closed, no bidder will be provided an opportunity to amend their bid submission.
15	Where are we submitting the bids?	Bids are to be submitted at the DCS regional offices nationwide as listed in the bid document, Annexure A.
16	Can a supplier tender for more than one region?	Yes
17	How many suppliers are required per panel in each region?	See paragraph 35.6 of the bid.
18	Is bid submission online or physical?	Submissions are strictly physical, refer to the tender document for further instruction on method of submission
19	How much is the bid document?	The bid document is free of charge
20	Can I bid for both Warehousing & Distribution	Yes, bidders may bid for both, However bidders must demonstrate experience as indicated in the TOR for both warehousing and distribution.
21	What is the duration of the contract for the supply of these products?	The contract for the supply, delivery and off-loading of these food products will be in effect for a period of five (5) years from the date of award.



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22	How often will deliveries be required during the contract period?	Delivery schedules will vary based on the specific needs of each correctional facility, but deliveries are expected to be regular, and the frequency will be outlined in the Contract .
23	Are there any specific nutritional guidelines or requirements that suppliers need to adhere to when providing these food products?	Yes, suppliers must adhere to specific nutritional guidelines, standards and applicable legislations outlined in the tender document to ensure that the products meet the dietary requirements of inmates and staff.
24	Where will the food items be delivered?	Each region has managements areas that are listed on the enclosed Annexure A. Delivery will depend on Purchase order issued.
25	Is there a preference for local or regional suppliers?	There will be no preference in relation to a supplier's location.
26	Is there a point of contact for inquiries regarding this procurement?	Yes, please refer to the bid document for this information. See Page 43 paragraph 31.5
27	Are we submitting 1 or 2 hard copies including USB's? Are we submitting pricing on Excel?	The bidder must submit the following: (a) One (1) Original Tender document & (b) One (1) Copy of the tender document & (c) One (1) USB that consists of a scanned copy of the tender document including the pricing schedule on excel and signed pdf format.
28	How should pricing schedules be completed	All prices quoted for must be inclusive of supply, delivery and off-loading cost. Bidders should submit pricing per Management Area/Correctional Centre as indicated on the pricing schedule.





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		<p>The bid prices shall be for the unit of measure as indicated in the pricing schedule.</p> <p>Bidders are required to submit responsive bids by completing all the prices, mandatory responsive fields and item questionnaires on the provided pricing schedule for the individual items.</p> <p>Bidders must indicate their suppliers per line item</p> <p>The bidder shall submit a complete tender document (original and copy) and a USB as required in the bid document per each Region if they wish to bid for all six (6) Regions.</p>
29	<p>In the event that as a bidder I decide to bid for all the Regions, when it comes to mandatory and functionality requirements should I submit sets of returnable documents per each region? Or One set of returnable documents will suffice?</p>	<p>The bidder shall be allowed for bid for those items that he/she is able to supply but not less than the stipulated number of items in that category as stated in the tender document.</p>
30	<p>I would like to know if we are allowed to only bid for those items that we are able to supply or we have to quote all items listed per area?</p>	<p>The bids will be evaluated in the following phases, Mandatory, Functional, Site Visit and then the 90/10 preference point system, where 90 is for the price and 10 on specific goals.</p>
31	<p>How will the bids be evaluated and scored?</p>	<p>Bids received after the closing date and time, at the address indicated in Annexure C, are late bids and will not be accepted for consideration and where practicable, be returned unopened to the bidder.</p>
32	<p>What is a late bid</p>	



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33	Can I bid for all regions ?	Yes
34	If I select Gauteng region as a preferred region, can I submit the proposal in another region eg KZN?	Bidders can submit proposals for any region selected as long as the proposal indicates which region they are bidding for.

# **GOVERNMENT PROCUREMENT**

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

## TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Contract amendments
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Dumping and countervailing duties
25. Force Majeure
26. Termination for insolvency
27. Settlement of disputes
28. Limitation of liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. National Industrial Participation (NIP) Programme

## **General Conditions of Contract**

### **1. Definitions**

1. The following terms shall be interpreted as indicated:
  - 1.1 "Closing time" means the date and hour specified in the bid 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 bid 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 bid 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 bid 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 bid 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 bid 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 bid documents and specifications.
- 5. Use of contract documents and information; inspection.**
- 5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.
- 6. Patent rights**
- 6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design

rights arising from use of the goods or any part thereof by the purchaser.

**7. Performance security**

- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
  - (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bid 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-bid 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 bid documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.



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

8.7 Any contract supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract.

Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

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

#### **9. Packing**

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

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

#### **10. Delivery and documents**

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

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

#### **11. Insurance**

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

#### **12. Transportation**

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

#### **13. Incidental**

13.1 The supplier may be required to provide any or all of the

**services**

following services, including additional services, if any, specified in SCC:

- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
- (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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

**14. Spare parts**

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

- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
- (b) in the event of termination of production of the spare parts:
  - (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
  - (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

**15. Warranty**

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

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been

delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

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

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

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

**16. Payment**

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

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

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

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

**17. Prices**

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

**18. Contract amendments**

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

**19. Assignment**

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

**20. Subcontracts**

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

**21. Delays in the supplier's performance**

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

**22. Penalties**

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

**23. Termination for default**

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

- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- (b) if the Supplier fails to perform any other obligation(s) under the contract; or
- (c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

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

23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding ten (10) years.

23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

23.5 Any restriction imposed on any person by the Accounting Officer/ Authority will, at the discretion of the Accounting Officer/ Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer/Authority actively associated.

23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information :

- (a) the name and address of the supplier and/or person restricted by the purchaser;
- (b) the date of commencement of the restriction;
- (c) the period of restriction; and
- (d) the reasons for the restriction.

These details will be loaded in the National Treasury's central data base of suppliers or persons prohibited from doing business with the public sector.

23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities, Act No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury Website.

**24. Anti-dumping and countervailing duties and rights**

24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him

**25. Force Majeure**

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

25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

**26. Termination for insolvency**

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

**27. Settlement of Disputes**

- 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5 Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
  - (b) the purchaser shall pay the supplier any monies due the supplier.

**28. Limitation of liability**

- 28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;
- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and
  - (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

**29. Governing language**

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

**30. Applicable law**

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

**31. Notices**

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

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

**32. Taxes and duties**

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

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

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

**33. National Industrial Participation (NIP) Programme**

33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

**34. Prohibition of Restrictive Practices**

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

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

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