### Description:
Implementation of a Student Allowance Disbursement System

| Full Name of Bidding/Tendering Entity: |   |
| Contact Person: |   |
| Tel Number: |   |
| Issue Date: | 03 October 2016 |
| **COMPULSORY** Briefing Session: | **19 October 2016** at 11:00 AM |
| Closing Date and Time: | 11 November 2016 at 11:00 AM |
| Issued by: | National Student Financial Aid Scheme (NSFAS) |
Bidder’s Authorised Signatory:

Initials and Surname:  Signature:

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

Please indicate whether it is the original or copy, tick the applicable block

<table>
<thead>
<tr>
<th>ORIGINAL</th>
<th>Copy</th>
<th>NR</th>
</tr>
</thead>
</table>

# Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Award</td>
<td>Conclusion of the procurement process and final notification to the successful bidder</td>
</tr>
<tr>
<td>B-BBEE</td>
<td>Broad-based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003) and the Codes of Good Practice issued thereunder by the Department of Trade and Industry</td>
</tr>
<tr>
<td>Bid</td>
<td>Written offer in a prescribed or stipulated form in response to an invitation by NSFAS for the provision of goods, works or services</td>
</tr>
<tr>
<td>Contractor</td>
<td>Organization with whom NSFAS will conclude a contract and potential service level agreement subsequent to the final award of the contract based on this Request for Bid</td>
</tr>
<tr>
<td>Core Team</td>
<td>Team members who fill the non-administrative positions against which the experience will be measured.</td>
</tr>
<tr>
<td>DTI</td>
<td>Department of Trade and Industry</td>
</tr>
<tr>
<td>EME</td>
<td>Exempted Micro Enterprise in terms of the Codes of Good Practice</td>
</tr>
<tr>
<td>NSFAS</td>
<td>National Student Financial Aid Scheme</td>
</tr>
<tr>
<td>GCC</td>
<td>General Conditions of Contract</td>
</tr>
<tr>
<td>Original Bid</td>
<td>Original document signed in ink, or Copy of original document signed in ink</td>
</tr>
<tr>
<td>Originally certified</td>
<td>To comply with the principle of originally certified, a document must be both stamped and signed in original ink by a commissioner of oaths.</td>
</tr>
<tr>
<td>SCM</td>
<td>Supply Chain Management</td>
</tr>
<tr>
<td>SLA</td>
<td>Service Level Agreement</td>
</tr>
<tr>
<td>TOR</td>
<td>Terms of Reference</td>
</tr>
</tbody>
</table>
Documents in this Bid Document Pack

Bidders are to ensure that they have received all pages 01 to 78 of this document, which consist of the following sections:

<table>
<thead>
<tr>
<th>SECTION A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note: Documents in this section must be completed and returned or supplied with bids as prescribed.</td>
</tr>
<tr>
<td>☐ Section A 1: SBD1: invitation to Bid</td>
</tr>
<tr>
<td>☐ Section A 2: Executive Summary and Bid submission conditions and Instructions</td>
</tr>
<tr>
<td>☐ Section A 3: Specification</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SECTION B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note: Documents in this section must be completed and returned or supplied with bids as prescribed.</td>
</tr>
<tr>
<td>☐ Section B 1: Tax Clearance Certificate</td>
</tr>
<tr>
<td>☐ Section B 2: Declaration of Interest</td>
</tr>
<tr>
<td>☐ Section B 3: Declaration of bidder’s past SCM practices</td>
</tr>
<tr>
<td>☐ Section B 4: Certificate of Independent Bid Determination</td>
</tr>
<tr>
<td>☐ Section B 5: Preference Points Claim form in terms of the Preferential Procurement Regulations 2011</td>
</tr>
<tr>
<td>☐ Section B 6: General Conditions of Contract</td>
</tr>
</tbody>
</table>
1 Invitation to Bid

You are hereby invited to bid for requirements of the National Student Financial Aid Scheme (NSFAS)

**All bidders must furnish the following particulars and include it in their submission (Failure to do so will result in your bid being disqualified)**

<table>
<thead>
<tr>
<th>Name of bidder</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Valid, original Tax Clearance Certificate submitted</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES / NO</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Postal Address</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Street Address</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Telephone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code:</td>
</tr>
<tr>
<td>-----------------------------------------------------</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cellular Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Facsimile Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Email Address</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

**In case of a consortium/joint venture, full details on consortium/joint venture members:**

<table>
<thead>
<tr>
<th>Entity name</th>
<th>VAT registration number</th>
<th>Tax Clearance Certificate submitted</th>
<th>YES / NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entity name</td>
<td>VAT registration number</td>
<td>Tax Clearance Certificate submitted</td>
<td></td>
</tr>
<tr>
<td>-------------</td>
<td>-------------------------</td>
<td>-------------------------------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Name of contracting entity in case of a consortium/joint venture

Entity name:

Postal address

Street address:

Contact details of responsible person who will act on behalf of the entity/consortium/joint venture for this bid

Name and Surname:

Telephone number:

Code: Number:

Cellular number:

Facsimile number:

Code Number:

e-Mail address:
Contact details of alternative responsible person who will act on behalf of the person above should he/she not be available

Name and Surname:

Telephone number:

<table>
<thead>
<tr>
<th>Code</th>
<th>Number</th>
</tr>
</thead>
</table>

Cellular number:

Facsimile number:

<table>
<thead>
<tr>
<th>Code</th>
<th>Number</th>
</tr>
</thead>
</table>

e-Mail address:

Confirmation

Are you the accredited representative in South Africa for the services offered by you:

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

I/We, with the submission of this bid, hereby grant permission that SARS may, on an ongoing basis, for the duration of the contract, disclose our Tax Compliance Status to NSFAS.

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

I/We hereby confirm that we are acting on behalf of an undisclosed principal:

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>
If yes, the identity of the principal is noted below:

__________________________________________________________

Declaration

I/We have examined the information provided in your bid documents and offer to undertake the work prescribed in accordance with the requirements as set out in the bid document. The prices quoted in this bid are valid for the stipulated period. I/We confirm the availability of the proposed team members. We confirm that this bid will remain binding upon us and may be accepted by you at any time before the expiry date.

Signature of bidder: Date:

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

Are you duly authorised to commit the bidder: Yes No

Capacity under which this bid is signed

TOTAL BID PRICE (INCLUSIVE OF VAT)
2 Executive Summary

The National Student Financial Aid Scheme (NSFAS) is a statutory body providing financial aid to eligible students who wish to study at public universities and Technical Vocational Education and Training (TVET) colleges. NSFAS is mandated to manage and distribute funds in accordance with the provisions of the NSFAS Act (Act 56 of 1999).

The National Student Financial Aid Scheme (NSFAS) has been tasked to provide an efficient and sustainable financial aid system for poor yet academically eligible students for loans and bursaries enrolled within 26 public higher education institutions and 50 Technical and Vocational Education and Training Colleges (TVETs).

In the new student-centered model, allowances are disbursed to students under supervision of the sBux Service Unit, which presently makes use of a software solution developed by Celbux SA (Pty) Ltd. Only 22 Institutions (16 TVET Colleges and 6 Universities) currently participate in the new student-centered model. Therefore, in order for NSFAS to achieve its strategic objectives and meet the demand of all NSFAS funded students, NSFAS requires an additional allowance disbursement solution, for distribution of funds to students across the country in all 26 universities and 50 TVET colleges.

The new solution must inter alia provide comprehensive repository of information on students spending patterns, which will enable NSFAS to make strategic decisions that optimize the use of funds by students by reducing non value adding expenses and increasing effective and efficient use of allowances paid to students.

The new solution must be free to NSFAS students and NSFAS must not incur any costs as a result of the implementation of the new system.
3 Bid Submission Conditions and Instructions

Conditions and instructions that bidders need to take note of:

Fraud and Corruption

All providers are to take note of the implications of contravening the Prevention and Combating of Corrupt Activities Act, Act No 12 of 2004 and any other Act applicable.

Clarifications / Additional information

Clarification

Any clarification required by a bidder regarding the meaning or interpretation of the TOR, or any other aspect concerning the bid, are to be requested in writing by email from scm@nsfas.org.za. The bid number should be mentioned in all correspondence. Telephonic requests for clarification will not be accepted. If appropriate, the clarifying information will be made available to all bidders by e-mail only.

Additional Information

During evaluation of the bids, additional information may be requested in writing from bidders, for clarity. Replies to such requests must be submitted, within 5 (five) working days from the date of request, or as otherwise indicated. Failure to comply, may lead to your bid being disregarded.
Submitting Bids

One (1) original and one (1) hard copy, i.e. two documents must be handed in/delivered to:

The deposit box situated at:
1st Floor, House Vincent Brodie Road Wynberg 7801

Tenders can be delivered and deposited into the tender box between 08:30 and 17:00, Mondays to Fridays and, prior to the closing date, and between 08:30 and 11:00 on the closing date.

1. No faxed or e-mailed quotations will be accepted.
2. All tenders must be submitted on the official forms (not to be re-typed).
3. Only bids that are submitted as one (1) original and one (1) copy will be accepted as valid and responsive. The original and copies will be distributed to the tender evaluation panel, and must contain the same information and must all be nearly marked and professionally presented.
4. Respondents should ensure that quotations are delivered to NSFAS before the closing date and time to the correct physical address. If the quotation is late, it will not be accepted for consideration.
5. B: Bidders must indicate on the cover of each document whether it is the original or a copy. Copies must be numbered, e.g. Copy 1.
6. Bids should be submitted in a sealed envelope, marked with:
   - Bid number (SCMN007/2016)
   - Closing date and time (11 November 2016; 11:00 AM)
   - The name and address of the bidder
7. Documents submitted on time by bidders shall not be returned.
8. Late Bids
   Bids received late will not be considered. A bid will be considered late if it arrived even one second after 11:00 am or any time thereafter. The tender (bid) box shall be locked at exactly 11:00 am and bids arriving late will not be considered under any circumstances. Bidders are therefore strongly advised to ensure that bids be dispatched allowing enough time for any unforeseen events that may delay the delivery of the bid.
9. The official Telkom time (dial 1026) will be used to verify the exact closing time.
10. Bids sent to the NSFAS via courier shall be deemed to be received at the date and time of arrival at the NSFAS premises (tender/bid box or reception). Bids received at the physical address after the closing date and time of the bid, shall therefore be deemed to be received late. **Bidders should allow time to access the premises due to security arrangements that need to be observed.**

**Response Structure:**

The contents of the **BID/TENDER** document must be as follows, and numbering below, with each schedule punched, placed in a file and separated from the next schedule with a file divider.

Please complete the checklist below to verify your submission of the relevant documents:

<table>
<thead>
<tr>
<th>Schedules</th>
<th>Description</th>
<th>Submitted (tick box below):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule 1</td>
<td>Original Valid Tax Clearance Certificate</td>
<td></td>
</tr>
<tr>
<td>Schedule 2</td>
<td>Certified Copies of Company Registration Documents</td>
<td></td>
</tr>
<tr>
<td>Schedule 3</td>
<td>Completed and signed Tender Documents: including the following; SBD 4 SBD 6.1 SBD 8 SBD 9 General Conditions of Contracts (with every page initiated)</td>
<td></td>
</tr>
<tr>
<td>Schedule 4</td>
<td>BBB-EE Certificate</td>
<td></td>
</tr>
<tr>
<td>Schedule 5</td>
<td>Detailed Technical Proposal (including for Mandatory requirements)</td>
<td></td>
</tr>
<tr>
<td>Schedule 6</td>
<td>Profile including company experience</td>
<td></td>
</tr>
<tr>
<td>Schedule 7</td>
<td>Pricing Proposal (as per the attached pricing schedule)</td>
<td></td>
</tr>
<tr>
<td>Schedule 8</td>
<td>Company’s Cancelled Cheque or Letter from the Bank not older than three months</td>
<td></td>
</tr>
<tr>
<td>Schedule 9</td>
<td>Name and Surname of the representative attended Compulsory Briefing session for the bidding entity</td>
<td></td>
</tr>
</tbody>
</table>
*** BIDDERS TO REFER TO EACH CATEGROY FOR MORE DOCUMENTS TO BE ATTACHED

**Contract Negotiations:**

The successful Tenderer will be required to enter into a written contract with NSFAS. The final terms and conditions will be negotiated between NSFAS and the successful Tenderer.

The **GENERAL CONDITIONS OF CONTRACT (GCC)** will form the basis of the contract; however, NSFAS reserves its rights to impose additional terms and conditions at its sole discretion. General Conditions of Contract are obtainable from [www.nsfas.org.za](http://www.nsfas.org.za).

The General Conditions of Contract must be accepted.

**Payments**

1. NSFAS will pay the Contractor the fees set out in the final contract according to the table of deliverables. No additional amounts will be payable by NSFAS to the Contractor.

2. The Contractor shall from time to time during the currency of the contract, invoice NSFAS for the services rendered.

3. The invoice must be accompanied by supporting source document(s) containing detailed information, as NSFAS may reasonably require, for the purposes of establishing the specific nature, extent and quality of the services which were undertaken by the Contractor.

4. No payment will be made to the Contractor unless an original tax invoice complying with section 20 of the VAT Act No 89 of 1991, as amended, has been submitted to NSFAS.

5. Payment shall be made by bank transfer into the Contractor’s back account normally 30 days after receipt of an acceptable, original, valid tax invoice. Money will only be transferred into a South African bank account. (Banking details must be submitted as soon as the bid is awarded).

6. The Contractor shall be responsible for accounting to the appropriate authorities for its income tax, VAT or other moneys required to be paid in terms of the applicable law.
1. PURPOSE

NSFAS requires proposals from qualified South African financial institutions and/or registered payment solution providers to perform disbursement banking services.

The intent of this RFP is to award a contract to a respondent/s whose proposal, conforming to this RFP is most advantageous to NSFAS, technical abilities and other factors considered.

NSFAS reserves the right to appoint one or more service providers to provide the services required in terms of this RFP.

In the event that a solution provider elects to sub-contract the services of a third-party provider as part of their solution, NSFAS will contract only with the main solution provider.

NSFAS and the appointed solution provider/s will share equally in commission generated from student spend at the registered merchants. NSFAS’ share of commission earned will always be no less than 50%.

2. TERMS OF REFERENCE

2.1. FUNCTIONAL SPECIFICATIONS

2.2. The solution must disburse funds to students for book, meals, travel, private accommodation/off-campus accommodation and other allowances as determined by NSFAS, on a monthly basis.

2.3. The solution must provide control over set funds distribution and be able to categorise disbursement into various spend categories such as books, meals, travel, private accommodation & other such categories required by NSFAS.

2.4. The solution must have the ability to disburse funds using a combination of card, voucher and an application(App) system so that students are able to transact on all bank associated networks and also within closed environments at Universities & TVET Colleges.

2.5. The solution must have the ability to manage the students’ needs for funds and proportion the funds, as required.
2.6. The solution must enable the sign-up of merchants, with nationwide footprints, both in consumable goods & learning support materials, to complete the distribution cycle

2.7. The solution must have the ability to transfer credits to merchants’ bank accounts on a daily basis and the solution provider must provide a trust/treasury account which will facilitate the settlement of all merchant payments. The solution provider will perform the full merchant settlement function.

2.8. The solution must have the ability to reconcile all students and merchants accounts on a weekly and or monthly basis

2.9. The solution must be able to produce daily, weekly and monthly reports on the distribution of funds

2.10. The solution must ensure that students have complete visibility of all transactions and balances at all times

2.11. The solution must be able to handle significant volumes of transactions on a daily basis

2.12. The solution must be able to provide a tracking mechanism on all transactions, which file format allows for a unique Identification per file

2.13. The solution must be secure and meet all industry and regulatory standards. The security features of the solution must contain the ability to stop payments as required

2.14. The solution provider must be able to provide training to all users of the system, including students, funders, merchants, NSFAS employees and other agents

2.15. The solution must be able to facilitate the communication of essential messaging to students

2.16. The solution provider must be able to provide 24x7 account service support. As the NSFAS Contact Centre will have no access to the service provider’s solution, the Contact Centre will make use of suitable IVR messaging which will re-direct students and/or merchants queries to the service provider’s system. Furthermore, the solution provider must educate the student as to how and where to escalate their respective queries and issues

2.17. The solution must have the ability to be integrated seamlessly with core NSFAS systems (Phoenix and Open Text)

2.18. The Banking Institution must be registered with the Banking Association of South Africa and or the payment solution provider must be registered with the Payment Association of South Africa (PASA) and all regulatory authorities
2.19. The solution provider must provide adequate evidence of its financial stability. As a minimum requirement, a set of the most recent audited financial statements must be provided which must clearly demonstrate the solution provider’s solvency and sustainability.

3. TERMS OF REFERENCE

TECHNICAL SPECIFICATIONS

The service provider’s proposal must meet the following technical requirements:

3.1 Dual capability to allow the student to transact on bank associated networks in addition to allowing students to transact within a controlled environment within Universities and TVET colleges.

Essentially, NSFAS would like to provide students with a facility that enables students to transact by making use of a pre-paid debit facility. For the facility to be enabled, students would have to be registered, from where the personalisation of the card can be done. The service provider, therefore, must have the ability to verify students before issuing the card facility and/or activating the online transaction capability. The card will be activated to transact in bank associated networks as well as within controlled environment managed by NSFAS together with university and TVET administrators and accepted by merchants accredited or endorsed by NSFAS, Universities and TVET’s Colleges.

3.2 In-built spend control capability through spending categories managed through the NSFAS, University and TVET merchant network to ensure that funds are used for the intended purpose (Private Accommodation, Books, Food, Transport and other categories specified by NSFAS). For example, funds allocated to food should be restricted to purchase only food items, funds allocated to books may not be used for the purchase of more than one unit of the same book or hardware (in the case of laptops, tablets), etc. The solution should be adaptable to changes in policies and rules.

3.3 The solution must provide a multi-functional mobile communication platform that allows NSFAS to effectively manage its relationships with its beneficiaries with the ability to perform live chats, and content generation for a knowledge portal.

3.4 The Service provider must provide access to students via a white labelled NSFAS card, voucher and App solution. The Service Provider will perform the data enrichment to personalise the cards specific to the rules specified in the product specification section. The Service Provider
will send a card file to NSFAS making use of connect direct to load the relevant information into the NSFAS system for managing and controlling balances from a value perspective. The solution must also have the ability to meet transaction needs of disabled students.

3.5 The envisaged technology underlying the disbursement solution should be able to handle thousands of transactions per second with sound business continuity in place to ensure system uptime.

3.6 The technology should facilitate authenticated & un-authenticated card swipes, point of sale devices & mobile transactions.

3.7 Service provider should provide a transparent solution with in-depth electronic reporting with all loans and bursary related information readily accessible from the bursary management portal with full reconciliations and transaction related information. Reporting should be multi-faceted, and accessible to students (as a designated user group), merchants, and NSFAS as the key funder.

The service provider shall provide as part of processing payments, electronic reports for all accounts to include, but not limited to, the following:

- Daily Automated Balance Report;
- Daily allowance disbursement reporting;
- Customized Reporting, as may be required by the South African Reserve Bank.

The service provider must:

a. Provide electronic monthly reports that contain information via email latest close of the last business day of the month;

b. Provide account activity information (including but not limited to, stops, voids, returns, reconciliation information) on a daily, weekly or monthly basis as designated by South African Reserve Bank; and

c. Maintain reporting retention as stipulated by South Africa law governing retention of records.

The service shall provide electronic monthly reports no later than the 7th (seventh) business day of the calendar month immediately following the month the services are provided, with the exception of the monthly analysis. All reporting shall be provided to NSFAS electronically for
active and non-active students loaded as beneficiaries for allowances. The service provider shall provide the monthly analysis within fifteen (15) days after the calendar month in which the services are provided.

A monthly bank statement shall be provided for all accounts under this contract even if there was no transaction activity in the account(s) during a monthly reporting and reconciliation cycle.

The service provider shall provide same day and previous day disbursement reporting for all disbursement accounts via an Internet based system. The service provider shall provide final notification of the disbursement totals per account no later than 10:00 am each business day. In the event of an electronic failure, the service provider provides disbursement information to NSFAS through an alternate means within the specified timeframe. The service provider shall have an alternative reporting method.

3.8 The service provider shall provide the following account services including but not limited to:

- Automated account reconciliation and related reporting (some reports may need to be customized to accommodate tracking of disbursements at institution level)
- Internet based system for stop payments, cancels, voids, issues, inquiries and related reports
- Customer service contact accessible by NSFAS for general inquiries including reconciliation issues
- Automated weekly balance reporting to NSFAS disbursement administrators

3.9 The Service provider shall establish the student accounts as “Preferred Status” accounts; that is, establish a credit line that shall be sufficient to cover any potential daylight or overnight overdrafts without penalty or additional charge to NSFAS. All credits presented for payment and all files presented for processing, regardless of the current balance in the account(s), must be honoured.
3.10 In addition to the service provider processing stops/voids electronically, the service provider shall provide NSFAS with access to request stop payments and stop payment removals on via the Service provider's internet based system. The Service provider shall provide NSFAS to request individual and range stops without the need to sign on for each individual stop payment request or range request.

3.11 The Service provider shall establish and maintain a back-up stop payment/void procedure (telephone or via email transmission). The stop payment/void shall be considered effective immediately when placed either on-line or upon receipt of the email transmission or telephone call, and continue for until removed by NSFAS.

3.12 The service provider solution shall provide multiple applications/accounts to transmit files at the same time and provide the option of success, failure, duplicate, and error tracking scenarios. The file format must allow for a unique transaction ID per transaction. The service provider shall create a unique transmission ID per file that allows for encryption of the data on the file and a secured transmission of the file. The unique transaction and transmission IDs will be used for reconciliation and customer service purposes. The solution must provide flexible schedules to transmit the file and for authentication requirements for file transmission.

3.13 The service provider must provide Security for NSFAS transactions. It must be advanced encryption standard or greater for data transmission encryption.

The supported secure protocols shall include one or more of the following:
   a. Secure File Transfer Protocol (SFTP);
   b. Secure Shell (SSH); and

Any Simple Object Access Protocol (SOAP) based web service must provide for full encryption of the message and body. The service provider must utilize Message Transmission Optimization Mechanism (MTOM) or equivalent transmission mechanism for SOAP document attachments. Any web service design model must provide for the transmission of encrypted data.
The Service Provider must be in compliance with Payment Association of South Africa (PASA) Data Security Standard, National Payment System Act of 1998, the Reserve Bank Position Paper on e-money (PP NPS 01/2009) or any relevant regulation or standard for compliance.

Any on-site hardware, if required, shall meet all of the South African government’s security requirements; examples include, but not limited to:

- Tamper-proof; and
- Malware detection; must have the latest security updates and patches installed, etc.

The service provider shall monitor, log and audit all files transmitted or received. The service provider shall

- Implement a fraud detection to screen WEB entry and conduct an annual data security audit.
- Customer account data must be encrypted
- The service provider must have backup strategies, server redundancies, and a documented disaster recovery plan.
- Any and all services must be hosted within South Africa.

The Security Plan

The service provider must provide a Security Plan for the proposed solution. The document shall describe the administrative, physical, technical and systems controls to be used by the system and/or services. The service provider's security plan must, at a minimum, provide security measures for the following areas:

- Facilities Physical Security and Environmental Protection
- System Security
- System Data Security
- Network Security
- Administrative and Personnel Security

The Security Plan must provide the service provider's operations and control system for the proposed solution. The service provider must detect and report attempted unauthorized entries
into the facility and system. All security requirements for the service provider apply to development, testing, production and backup systems.

In addition, the Security Plan must identify, address and/or define the following:

1. Regulations and security requirements – how the service provider will address security requirements such as Payments Association of South Africa standards and POPI Act and etc.
2. System, Administrative and Personnel Security - the security responsibilities of and supervision required for information owned and / or operated by the service provider. Security responsibilities include responsibilities for administration of the infrastructure, implementing or maintaining security and the protection of the confidentiality, integrity, and availability of information systems or processes.
3. Workforce Security - the control process for hiring and terminating of service provider’s employees, and method used for granting and denying access to the service provider’s network, systems and applications. Identify and define audit controls when employment of the employee terminates.
4. Role-based security access – the products and methods provides role-based security, access enforcement and least privilege.
5. Account Management – the products and methods identify and control the account types to meet defined regulation and security requirements.
6. Password Management – the appropriate password management controls to meet defined regulation or security requirements.
7. Logging / Auditing controls – the service provider’s audit control methods and requirements. The controls must address but not limited to all user access and user identification linked to any changes to the system and data, and provide an audit process that will make all audit data accessible to South African Reserve Bank and NSFAS audit staff.
8. Incident Management – the methods for detecting, reporting and responding to an incident, vulnerabilities and threats. The methods are tested and exercised.
9. Vulnerability / Security Assessment – the products and methods used for scanning for vulnerabilities and remediation of the vulnerabilities. Identify and define methods used for initiating and completing security assessments. All systems and applications shall be subject to vulnerability assessment scans by an independent and accredited third party on an annual basis.
10. Application Security – where the service provider is providing application hosting or development services, the service provider at a minimum shall run application vulnerability assessment scans during
development and system testing. Vulnerabilities shall be remediated prior to production release hosting or development services, the Contractor will have a separate and unique (single tenant) partition, infrastructure.

11. Anti-virus / malware controls – the products and methods for anti-virus and malware controls that meet industry standards. It shall include policy statements that require periodic anti-viral software checks of the system to preclude infections and set forth its commitment to periodically upgrade and maintain maximum effectiveness against new strains of software viruses.

12. Continuous Monitoring – the service provider shall have products and methods for monitoring malicious activity, malware, intrusions and audit records within the service provider’s network.

The service provider shall indemnify NSFAS from any events or card, voucher or app related transactions of a fraudulent nature

The service provider shall submit their Disaster Recovery plan, identifying locations and systems – to ensure that they can continue to satisfy RFP requirements within 24 hours, in the event their primary location is rendered unusable. The plan must detail how the service provider will ensure that the primary location and/or systems destroyed in such a disaster would be made available to meet the 24 hour time frame. The service provider’s plan must be tested, reviewed and updated annually

3.14 The service provider must have a well-documented Application/Software Developer Kit. This includes, but is not limited to:

- Application Program Interface (API) documentation;
- Sample Code;
- Request and Response handling;
- Error handling;
- Exception handling;
- Sample File formats; and
- Installation document(s), if applicable.

3.15 The service provider shall provide a test environment that is separate and independent from the Production environment. The service provider shall provide support between Monday-Friday, 8am-5pm
(business hours) and provide support staff to respond to emails, calls, or other communication during testing

The service provider shall respond to these inquiries within two (2) hours of the request.

The Test Environment must allow for, but not limited to:

- Security Testing;
- Functional Testing;
- Load Testing;
- Exception Testing;
- Error Message Testing;
- Transaction Failure Testing; and
- Quality Assurance (QA) environment that closely resembles the production environment.

The service provider’s Test Environment shall provide multiple test IDs and accounts (which include, but not limited to: NSFAS card, App) for each environment.

3.16 The Production Environment must be available twenty-four (24) hours a day, seven (7) days a week, with dedicated and secure communication lines and settlement options.

The service provider shall provide a mechanism for production testing to allow for, but not limited to:

- Assure system availability;
- Functionality Testing;
- Production support;
- Integration; and
- Pilot deployments.

The service provider shall ensure that all personal and banking data is transmitted via an encrypted system to a minimum level of 128-bit encryption with plans for 256-bit encryption or greater.

The service provider must guarantee uptime/data availability of 99.55% at all times in line with industry acceptable Tier 3 classification levels.

3.17 The service provider must provide the following Customer and Technical Support to the NSFAS:
• Twenty-four (24) hours a day, seven (7) days a week support (web conference/phone, email, and other methods of communication);
• Multiple interfaces for opening a support request and provide relevant answers in a timely manner, as requested by NSFAS;
• A Technical Customer Service Representative (CSR) must respond to questions regarding their API and technical issues, as well as provide a toll free number for contacting customer service personnel within NSFAS;
• Severity Level 1 (System down) requests shall be handled within one (1) hour of contacting customer support;
• Electronic Notification process shall be used for (planned and unplanned) downtime or equivalent, of informing NSFAS or designee of changes to the test and production systems; and
• Technical support engineers and developers to incorporate contracted “service provider’s System” into NSFAS information system(s).

3.18 The service provider shall also appoint a Senior Officer and a qualified substitute as a representative for contact and liaison with NSFAS. This representative shall be solely responsible for insuring that the contract requirements are met, implementing contractual instructions and resolving problems that may arise on a day-to-day basis during the term of the contract. The service provider shall provide the lines of communication for these personnel (proper contact personnel, names, and location and telephone numbers) to NSFAS.

Additionally, the Contractor shall designate a minimum of two (2) individuals who shall be responsible for routine inquiries, including, but not limited to the following:
• reconciliation;
• software maintenance & transmissions;
• controlled disbursement reporting;
• system Internet access issues; and
• daily balance reporting/daily disbursement reporting.

The service provider shall designate one (1) primary and one (1) backup individual to perform bank reconciliation functions for NSFAS. The service provider shall not change reconciliation personnel without
written notice to and prior discussion with the Senior Manager responsible for Student allowance disbursement at NSFAS.

3.19 **The Service provider shall provide all initial and on-going training**, training programs, and training materials. All training related activities and materials shall be coordinated and approved in advance by NSFAS student allowance disbursement Senior Manager.

The service provider shall provide training to NSFAS to minimally include the following:

- A training program prior to implementation and ongoing as needed or requested by NSFAS;
- Initial on-site training at NSFAS head office in Wynberg Cape Town;
- A minimum of two (2) days of training to be conducted regionally at the inception of the contract which will be broken down into four (4) three (3) hour sessions. NSFAS shall determine and provide the location of the training facilities;
- Instruction manuals detailing all aspects of the training agenda topics.
- For system upgrades and revisions, the service provider may provide a web-based training program in lieu of on-site training. This training shall be in addition to the initial on-site training.

3.20 **The solution must be able to integrate with core NSFAS systems such as Phoenix and Open Text**. The service provider must be able to provide an integration plan which details how the banking solution will integrate into the NSFAS systems. The integration plan should include a list of integration mechanisms/patterns comprising technical specifications

3.21 **The Service provider must have at least a minimum of 5 years** in financial services and/or of providing payment solutions.

3.22 **The Service Provider must have a national foot print** with access within/or close to all universities and TVET colleges across South Africa.
5. **CONTRACT PERIOD**

The initial contract period will be 2 years with a renewal option of a further two (2) years, after which NSFAS would review and consider options for either continuing with a contractual notice period.

6. **MANDATORY REQUIREMENTS**
<table>
<thead>
<tr>
<th>MANDATORY REQUIREMENTS</th>
<th>Comply (Yes/No)</th>
<th>Proposal Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3.1.</strong> The solution must disburse funds to students for book, meals, travel and private accommodation/off-campus accommodation allowances &amp; other allowance categories, on a monthly basis, as per 2.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3.2.</strong> The solution must provide control over set funds distribution and be able to categorise disbursement into various spend categories such as books, meals, travel &amp; private accommodation, as per 2.2.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3.3.</strong> The solution must have the ability to disburse funds using a combination of card, voucher and an App system so that students are able to transact on all bank associated networks and also within closed environments at Universities &amp; TVET Colleges, as per 2.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3.4.</strong> The solution must have the ability to manage the students’ needs for funds and proportion the funds, as required, as per 2.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td><strong>3.5.</strong> The solution must enable the sign-up of merchants, with nationwide footprints, both in consumable goods &amp; learning support materials, to complete the distribution cycle, as per 2.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3.6.</strong> The solution must have the ability to transfer credits to merchants' bank accounts on a daily basis and perform the full merchant settlement function, as per 2.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3.7.</strong> The solution must have the ability to reconcile all students and merchants accounts on a weekly and/or monthly basis, as per 2.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3.8.</strong> The solution must be able to produce daily, weekly and monthly electronic reports on the distribution of funds, as per 2.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3.9.</strong> The solution must ensure that students have complete visibility of all transactions and balances at all times, as per 2.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3.10.</strong> The solution must be able to handle significant volumes of transactions on a daily basis, as per 2.10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.11.</td>
<td>The solution must be able to provide a tracking mechanism on all transactions, which file format allows for a unique identification per file, as per 2.11</td>
<td></td>
</tr>
<tr>
<td>-------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>3.12.</td>
<td>The solution must be secure and meet all accepted industry norms and regulatory standards. The security features of the solution must contain the ability to stop payments as required, as per 2.12</td>
<td></td>
</tr>
<tr>
<td>3.13.</td>
<td>The solution provider must be able to provide training to all users of the system, including students, funders, merchants, NSFAS employees and other agents, as per 2.13</td>
<td></td>
</tr>
<tr>
<td>3.14.</td>
<td>The solution must be able to facilitate the communication of essential messaging to students, as per 2.14</td>
<td></td>
</tr>
<tr>
<td>3.15.</td>
<td>The solution provider must be able to provide 24x7 account service support, as per 2.15</td>
<td></td>
</tr>
<tr>
<td>3.16.</td>
<td>The solution must have the ability to be integrated seamlessly with core NSFAS systems, as per 2.16</td>
<td></td>
</tr>
</tbody>
</table>
3.17. The Service Provider must be registered with the Banking Association of South Africa and/or PASA and all regulatory authorities, as per 2.17

3.18. The Service Provider must be financially sustainable, as per 2.18, and submit a set of the most recent audited annual financial statements
# 7 EVALUATION CRITERIA

Bidders need to score a minimum of 70 points on functionality evaluation. Bidders who score less than 70 points for functionality will not be considered further. Bids will be evaluated in accordance with the following criteria:

<table>
<thead>
<tr>
<th>ELEMENT</th>
<th>POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation &amp; appropriateness of solution as per Terms of Reference -</td>
<td>55</td>
</tr>
<tr>
<td>Technical Requirements Section 3.1 to 3.12 ; 3.14 to 3.20</td>
<td></td>
</tr>
<tr>
<td>Methodology for the protecting of confidential information and ability</td>
<td>15</td>
</tr>
<tr>
<td>to provide security against any fraudulent activities or disasters</td>
<td></td>
</tr>
<tr>
<td>as per Technical Specifications Section 3.13</td>
<td></td>
</tr>
<tr>
<td>Geographical requirements</td>
<td>10</td>
</tr>
<tr>
<td><strong>Company Experience</strong></td>
<td>20</td>
</tr>
<tr>
<td>• Relevant qualifications and experience - 10</td>
<td></td>
</tr>
<tr>
<td>• Contactable References - 5</td>
<td></td>
</tr>
<tr>
<td>• Confirmation of two (2) similar solution implementations within last</td>
<td></td>
</tr>
<tr>
<td>24 months - 5</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>100</td>
</tr>
<tr>
<td>CRITERIA</td>
<td>REQUIREMENT</td>
</tr>
<tr>
<td>---------</td>
<td>-------------</td>
</tr>
</tbody>
</table>
| Technical | Innovation & appropriateness of solution as per Terms of Reference - Technical Requirements Section 3.1 to 3.12; 3.14 to 3.20 | 55 | Details of how the solution will meet the following critical technical requirements as outlined in Section 3.1 to 3.12 and 3.14 to 3.20, as follows:

Dual capability: Ability of card to transact in both bank networks & controlled Institution environments | 5 | NSFAS APPRAISAL | Final Points |
<p>| | | | | | | |
| | | | | | | |
| | | | In-built spend control capability through multiple spending categories | 10 | NSFAS APPRAISAL | Final Points |
| | | | System ability to handle significant transaction volumes (thousands per second) | 5 | NSFAS APPRAISAL | Final Points |</p>
<table>
<thead>
<tr>
<th>Provision</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-depth electronic reporting capability</td>
<td>5</td>
</tr>
<tr>
<td>Provision of account services, per 3.8</td>
<td>5</td>
</tr>
<tr>
<td>Ability to process stops/voids electronically &amp; provision of access to NSFAS to perform the service</td>
<td>5</td>
</tr>
<tr>
<td>Provision of application/software development kit &amp; both test and production environments</td>
<td>10</td>
</tr>
<tr>
<td>Ability to provide multiple accounts for file transmission in format that allows for unique ID per transaction</td>
<td>5</td>
</tr>
<tr>
<td>Security</td>
<td>Provision of customer &amp; technical support, per 3.17</td>
</tr>
<tr>
<td>----------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td><strong>Details of how the solution will meet the technical requirements outlined in Section 3.13, as follows:</strong></td>
</tr>
<tr>
<td></td>
<td>Compliance with regulatory requirements, including PASA, POPI Act and Banking Association of SA, where applicable</td>
</tr>
<tr>
<td></td>
<td>Comprehensive security plan which meets the requirements per 3.13, as follows:</td>
</tr>
<tr>
<td></td>
<td>• Systems, Administrative &amp; Personnel security</td>
</tr>
<tr>
<td></td>
<td>• Workforce security</td>
</tr>
<tr>
<td></td>
<td>• Role-based security access</td>
</tr>
<tr>
<td></td>
<td>• Account management</td>
</tr>
<tr>
<td></td>
<td>• Password management</td>
</tr>
<tr>
<td>Geographic</td>
<td>Geographical requirements</td>
</tr>
<tr>
<td>-----------</td>
<td>--------------------------</td>
</tr>
</tbody>
</table>

- Logging/auditing controls
- Incident management
- Vulnerability assessment
- Application security
- Anti-virus/malware controls
- Continuous monitoring

Evidence of advanced encryption standards & secure protocols, as per 3.13 a, b and c.

Provision of disaster recovery plan identifying locations & systems

3
<table>
<thead>
<tr>
<th>Experience &amp; qualification</th>
<th>Company experience</th>
<th>20</th>
<th>Refer below</th>
</tr>
</thead>
<tbody>
<tr>
<td>The service provider must have a minimum of five (5) years’ experience in providing similar banking solutions</td>
<td>Less than five years’ experience (&lt;5)</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Five years or more</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>The proposal must include contactable references who are using the providers solution &amp; describe the nature of the solution and the dates involved (reference documents must be in letterhead/s of referees)</td>
<td>No referees</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Two or more references (≥ 2 referees)</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>External confirmation of two (2) solutions implemented within past 24 months</td>
<td>&lt;2 solutions implemented within the past 24 months</td>
<td>5</td>
<td>0</td>
</tr>
</tbody>
</table>
Note: The minimum qualifying score is **70** points. All tenders that fail to achieve the minimum qualifying score on shall not be considered for further evaluation on Company presentation.

<table>
<thead>
<tr>
<th>2 or more solutions implemented within the past 24 months</th>
<th>1</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bidder’s Score</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Minimum Score</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
8 Company Presentation

Short listed Bidders will be required to deliver a presentation at the NSFAS offices for clarity on their proposal. The format of the presentation will be provided.

<table>
<thead>
<tr>
<th>ELEMENT</th>
<th>POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company Presentations</strong></td>
<td>100</td>
</tr>
</tbody>
</table>

Shortlisted bidders will be requested to present their proposed solution based on the following main requirements:

1. Ability of solution to disburse allowances to students in multiple categories & restrict spend to pre-defined categories (10)
2. Demonstrate ability to disburse allowances in combination of card, voucher & APPs (10)
3. Ability to sign-up merchants nationally & manage entire merchant settlement function (10)
4. Ensure visibility of all transactions & balances in accounts to students & NSFAS (10)

5. Provision of 24x7 customer & technical support (10)

6. Provision of account services support (10)

7. Demonstrate critical security features & plans (10)

8. Ability to manage significant transaction volumes (10)

9. Electronic reporting & tracking per unique ID per transaction (10)

10. Plan for integration into NSFAS systems (10)

TOTAL 100

Note: The minimum qualifying score is 70 points. All tenders that fail to achieve the minimum qualifying score on shall not be considered for further evaluation on Price and BBBEE.
1.1. **Preference Point System**

All tenders that achieve the minimum qualifying score (acceptable tenders – both functionality and company presentations) will be evaluated further in terms of the price and preference point system as follows:

<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>90</td>
</tr>
<tr>
<td>B-BBEE</td>
<td>10</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100 points</strong></td>
</tr>
</tbody>
</table>
9 Preference Point System

All tenders that will achieve the minimum qualifying score (acceptable tenders) will be evaluated further in terms of the preference point system as follows:

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

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

or

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

Where

- \( P_s \) = Points scored for comparative price of bid under consideration
- \( P_t \) = Comparative price of bid under consideration
- \( P_{\text{min}} \) = Comparative price of lowest acceptable bid

10 Reason for rejection of bids

NSFAS will reject a proposal for the award of a contract if the recommended bidder has committed a proven corrupt or fraudulent act in competing for the particular contract.

NSFAS will disregard the bid of any bidder if that bidder, or any of its directors or employees:

- That has abused the Supply Chain Management system of NSFAS;
- That has committed proven fraud or any other improper conduct in relation to such system; or
- That has failed to perform on any previous contract and the proof exists.

Such actions will be communicated to the National Treasury and Department of Higher Education and Training.
11 Disclaimer

NSFAS will apply Supply Chain Management Policy and where Policy is silent, will apply National Treasury Regulations. All costs incurred in drafting the proposal are those of the service provider. NSFAS reserves the right to engage with more than one service provider.

12 Closing date

Bids must be delivered at the reception desk between 08:30 and 16:00, Mondays to Fridays, prior to the closing date, and between 08:30 and 11:00 am on the closing date. The closing date: 11 November 2016 at 11:00 am.
SECTION B

THIS SECTION MUST BE COMPLETED AND RETURNED OR SUPPLIED WITH BIDS AS PRESCRIBED.
Tax Clearance Certificate Requirements

It is a condition of bid (tender) that the taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with South African revenue Services (SARS) to meet the bidder’s tax obligations.

1. In order to meet this requirement, bidders are required to complete in full the form TCC 001 “Application for a Tax Clearance Certificate” and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders/individuals who wish to submit bids.

4. SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from date of approval.

5. The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.

6. In bids where Consortia/Joint ventures/Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.

7. Copies of the TCC 001 “Application for a Tax Clearance Certificate” form are available from any SARS branch office nationally or on the website www.sars.gov.za.

8. Applications for Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.sars.gov.za.

PLEASE NOTE THAT SARS IS IN PROCESS OF IMPLEMENTING A NEW TAX COMPLIANCE STATUS (TCS) SYSTEM – PLEASE REFER TO THE NATIONAL TREASURY INSTRUCTION 3 OF 2014/2015 AVAILABLE ON THE NATIONAL TREASURY WEBSITE
1 Declaration of Interest

1 This declaration will be used by institutions to ensure that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.

2 The bid of any bidder may be disregarded if that bidder, or any of its directors have:

   a. abused the NSFAS’s supply chain management system;
   b. committed fraud or any other improper conduct in relation to such system; or
   c. failed to perform on any previous contract.

In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

The following particulars must be furnished:

<table>
<thead>
<tr>
<th></th>
<th>Full Name of bidder or his or her representative:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Identity Number:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Position occupied in the Company (director, trustee, shareholder², member):</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Registration number of company, enterprise, close corporation, partnership agreement or trust:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Tax Reference Number:</th>
</tr>
</thead>
</table>

² shareholder
2.6 VAT Registration Number:

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / PESAL numbers must be indicated in paragraph 3 below.

2.7 Are you or any person connected with the bidder presently employed by the state?

| Yes | No |

2.7.2.1 If yes, furnish the following particulars:

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

“State” means

(a) Any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No 1 of 1999);
(b) Any municipality or municipal entity;
(c) Provincial legislature;
(d) National Assembly or the National Council of Provinces;
(e) Parliament.

“Shareholder” means a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercises control over the enterprise.
Any other particulars:

<table>
<thead>
<tr>
<th>2.7.2</th>
<th>If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
</tr>
</tbody>
</table>

2.7.2.1 If yes, did you attach proof of such authority to the bid document?

Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.

|       | Yes | No |

2.7.2.2 If no, furnish reasons for non-submission of such proof:

<table>
<thead>
<tr>
<th>2.8</th>
<th>Did you or your spouse, or any of the company’s directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
</tr>
</tbody>
</table>

2.8.1 If so, furnish particulars:
2.9 | Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid?  
---|---
Yes | No  
2.9.1 | If so, furnish particulars:  
---|---

2.10 | Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid?  
---|---
Yes | No  
2.10.1 | If so, furnish particulars:  
---|---

2.11 | Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract?  
---|---
Yes | No  
2.11.1 | If so, furnish particulars:  
---|---
3. **Full details of directors / trustees / members / shareholders.**

<table>
<thead>
<tr>
<th>Full Name</th>
<th>Identity Number</th>
<th>Personal Income Tax Reference Number</th>
<th>State Employee Number / PERSEL Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Declaration

I, THE UNDERSIGNED (NAME)………………………………………………………………………

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT.
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME SHOULD THIS
DECLARATION PROVE TO BE FALSE.

Signature                      Date

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

Position                      Name of bidder

...................................................... ......................................................
Declaration of bidder's past Supply Chain Management practices

1. This declaration will be used by institutions to ensure that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.

2. The bid of any bidder may be disregarded if that bidder, or any of its directors have -

   a) abused the institution's supply chain management system;
   b) committed fraud or any other improper conduct in relation to such system; or
   c) failed to perform on any previous contract.

3. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

The following particulars must be furnished:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>
| 4.1 | Is the bidder or any of its directors listed on the National Treasury’s Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?  
(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the audi alteram partem rule was applied).  
The Database of Restricted Suppliers now resides on the National Treasury’s website ([http://www.treasury.gov.za](http://www.treasury.gov.za)) and can be accessed by clicking on its link at the bottom of the home page. |
| Yes | No |
| 4.1.2 | If so, furnish particulars: |
| 4.2 | Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?  
The Register for Tender Defaulters can be accessed on the National Treasury’s website ([http://www.treasury.gov.za](http://www.treasury.gov.za)) by clicking on its link at the bottom of the home page. |
### 4.2.1
If so, furnish particulars:

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

### 4.3
Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

**4.3.1**
If so, furnish particulars:

### 4.4
Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

**4.4.1**
If so, furnish particulars:
SBD8
Declaration

I, THE UNDERSIGNED (NAME)…………………………………………………………………………

CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS TRUE AND CORRECT.

I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

Signature                                      Date

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

Position                                      Name of bidder

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

..........................................................
CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

__________________________________________________________________

in response to the invitation for the bid made by:

NSFAS

(Name of Institution)

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of: _______________________________________________________that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;

2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;

3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;

4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;

5. For the purposes of this Certificate and the accompanying bid, I understand that the word “competitor” shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:

   (a) has been requested to submit a bid in response to this bid invitation;
   (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
   (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium will not be construed as collusive bidding.
3 Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:

(a) prices;
(b) geographical area where product or service will be rendered (market allocation)
(c) methods, factors or formulas used to calculate prices;
(d) the intention or decision to submit or not to submit, a bid;
(e) the submission of a bid which does not meet the specifications and conditions of the bid; or
(f) bidding with the intention not to win the bid.

8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.

9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

10. 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.

Signature……………………………………………………………………………………………………………………………………….Date………………………………………………………………………………………………………………………………...

Position………………………………………………………………………………………………………………………………………..Name of bidder…………………………………………………………………………………………………………………………………...
**PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2011**

NB: Before completing this form, bidders must study the general conditions, definitions and directives applicable in respect B-BBEE, as prescribed in the Preferential Procurement Regulations, 2011

1. **GENERAL CONDITIONS**

1.1 The following preference point systems are applicable to all bids:
   - the 90/10 system for requirements with a Rand value above R1 000 000 (all applicable taxes included).

1.2 The value of this bid is estimated to exceed R1 000 000 (all applicable taxes included) and therefore the 90/10 system shall be applicable.

1.3 Preference points for this bid shall be awarded for:
   (a) Price; and
   (b) B-BBEE Status Level of Contribution.

1.3.1 The maximum points for this bid are allocated as follows:

<table>
<thead>
<tr>
<th></th>
<th>POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.3.1.1 Price</td>
<td>90</td>
</tr>
<tr>
<td>1.3.1.2 B-BBEE Status Level of Contribution</td>
<td>10</td>
</tr>
<tr>
<td>Total points for Price and B-BBEE must not exceed</td>
<td>100</td>
</tr>
</tbody>
</table>
1.4 Failure on the part of a bidder to fill in and/or to sign this form and submit a valid original or certified B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS) or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or an Accounting Officer as contemplated in the Close Corporation Act (CCA) together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

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

2. DEFINITIONS

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

2.2 “B-BBEE” means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;

2.3 “B-BBEE status level of contributor” means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

2.4 “bid” means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;

2.5 “Broad-Based Black Economic Empowerment Act” means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);

2.6 “comparative price” means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration;

2.7 “consortium or joint venture” means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;
2.8 “contract” means the agreement that results from the acceptance of a bid by an organ of state;

2.9 “EME” means any enterprise with annual total revenue of R5 million or less.

2.10 “Firm price” means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;

2.11 “functionality” means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;

2.12 “non-firm prices” means all prices other than “firm” prices;

2.13 “person” includes a juristic person;

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

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

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

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

2.18 “trustee” means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.
3. **ADJUDICATION USING A POINT SYSTEM**

3.1 The bidder obtaining the highest number of total points will be awarded the contract.

3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts.

3.3 Points scored must be rounded off to the nearest 2 decimal places.

3.4 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.

3.5 However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality.

3.6 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

4. **POINTS AWARDED FOR PRICE**

4.1 **THE 90/10 PREFERENCE POINT SYSTEMS**

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

\[
Ps = 90 \left(1 - \frac{Pt - P_{\text{min}}}{P_{\text{min}}} \right)
\]

Where

\[Ps\] = Points scored for comparative price of bid under consideration

\[Pt\] = Comparative price of bid under consideration

\[P_{\text{min}}\] = Comparative price of lowest acceptable bid
5. **Points awarded for B-BBEE Status Level of Contribution**

5.1 In terms of Regulation 5 (2) and 6 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

<table>
<thead>
<tr>
<th>B-BBEE Status Level of Contributor</th>
<th>Number of points (90/10 system)</th>
<th>Number of points (80/20 system)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>3</td>
<td>8</td>
<td>16</td>
</tr>
<tr>
<td>4</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>5</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>6</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>8</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Non-compliant contributor</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

5.2 Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate or a certified copy thereof, issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA’s approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates.

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

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

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

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

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

6. BID DECLARATION

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

7. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.3.1.2 AND 5.1

7.1 B-BBEE Status Level of Contribution: = (maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or an Accounting Officer as contemplated in the CCA).
8  **SUB-CONTRACTING**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1</td>
<td>Will any portion of the contract be sub-contracted?</td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1.1</td>
<td>If yes, indicate:</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>What percentage of the contract will be subcontracted?</td>
</tr>
<tr>
<td></td>
<td>%</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>the name of the sub-contractor?</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>the B-BBEE status level of the sub-contractor</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>whether the sub-contractor is an EME?</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
</tr>
</tbody>
</table>

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

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1</td>
<td>Name of company/firm</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>9.2</td>
<td>VAT registration number</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>9.3</td>
<td>Company registration number</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>9.4</td>
<td>Type of company/firm (tick applicable box)</td>
</tr>
<tr>
<td>☐</td>
<td>Partnership/Joint Venture / Consortium</td>
</tr>
<tr>
<td>☐</td>
<td>One person business/sole propriety</td>
</tr>
<tr>
<td>☐</td>
<td>Close corporation</td>
</tr>
<tr>
<td>☐</td>
<td>Company</td>
</tr>
<tr>
<td>☐</td>
<td>(Pty) Limited</td>
</tr>
</tbody>
</table>
9.5 Describe principal business activities


9.6 Company classification (tick applicable box)

- Manufacturer
- Supplier
- Professional service provider
- Other service providers, e.g. transporter, etc.

Total number of years the company/firm has been in business?

9.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contribution indicated in paragraph 7 of the foregoing certificate, qualifies the company/firm for the preference(s) shown and I / we acknowledge that:

(i) The information furnished is true and correct;

(ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form.

(iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 7, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;

(iv) If the B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
(a) disqualify the person from the bidding process;

(b) recover costs, losses or damages it has incurred or suffered as a result of that person’s conduct;

(a) 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;

(b) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, 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 forward the matter for criminal prosecution

Witnesses

1……………………………………………

2……………………………………………

……………………………………………

Signature of Bidder (s)

Date

……………………………………………

Address

……………………………………………

……………………………………………
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 Programme (NIPP)
34. Prohibition of restrictive practices
General Conditions of Contract

1. Definitions

1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.

1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.

1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.

1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.

1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.

1.7 “Day” means calendar day.

1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.

1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.

1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.

1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.

1.12 "Force majeure” means an event beyond the control of the supplier and not involving the supplier’s fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

1.13 “Fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
1.14 “GCC” means the General Conditions of Contract.

1.15 “Goods” means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

1.16 “Imported content” means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.

1.17 “Local content” means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.

1.18 “Manufacture” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

1.19 “Order” means an official written order issued for the supply of goods or works or the rendering of a service.

1.20 “Project site,” where applicable, means the place indicated in bidding documents.

1.21 “Purchaser” means the organization purchasing the goods.

1.22 “Republic” means the Republic of South Africa.

1.23 “SCC” means the Special Conditions of Contract.

1.24 “Services” means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.

1.25 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.

2. Application

2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.

2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.
3. General

3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.

3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

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

5. Use of contract documents and information; inspection.

5.1 The supplier shall not, without the purchaser’s prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

5.2 The supplier shall not, without the purchaser’s prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.

5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier’s performance under the contract if so required by the purchaser.

5.4 The supplier shall permit the purchaser to inspect the supplier’s records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

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

7. Performance security

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

7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

(a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser’s country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or

(b) a cashier’s or certified cheque

7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier’s performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspections, tests and analyses

8.1 All pre-bidding testing will be for the account of the bidder.

8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.

8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

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

8.7 Any contract supplies may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the
purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

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

9. Packing

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

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

10. Delivery and documents

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

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

11. Insurance

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

12. Transportation

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

13. Incidental services

13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
(a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;

(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;

(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

(d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

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

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

14. Spare parts

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

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

(b) in the event of termination of production of the spare parts:

   (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and

   (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser’s specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.
15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

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

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

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

16. Payment

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

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

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

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

17. Prices

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

18. Contract amendments

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

19. Assignment

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

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

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 canceling 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 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:

(i) the name and address of the supplier and / or person restricted by the purchaser;

(ii) the date of commencement of the restriction

(iii) the period of restriction; and

(iv) the reasons for the restriction.

These details will be loaded in the National Treasury’s central database of suppliers or persons prohibited from doing business with the public sector.
23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person’s name be endorsed on the Register for Tender Defaulters. When a person’s name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 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 wilful 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.

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 an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).

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

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