



*DEVELOPMENT THROUGH PARTNERSHIP*

**APPOINTMENT OF A PROFESSIONAL SHORT-TERM  
INSURANCE BROKER TO MANAGE THE SHORT-TERM  
INSURANCE PORTFOLIO OF THE CONSTRUCTION  
INDUSTRY DEVELOPMENT BOARD FOR A PERIOD OF  
THIRTY-SIX (36) MONTHS**

**VOLUME 1 OF 4: INSTRUCTION TO BIDDERS**

For cidb

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Bidder

Witness

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**1 GLOSSARY OF TERMS**

For purposes of this document, the following definitions are used and all references to legislation are to legislation as amended from time to time:

- 1.1 **“BBBEE”** has the meaning defined in the Broad Based Black Economic Empowerment Act, Number 53 of 2003;
- 1.2 **“Bid”** means a proposal submitted by a Bidder in response to this RFP;
- 1.3 **“Bidder”** means an owner/entity/ joint venture/ consortium who having received the RFP intends to respond thereto by submitting a proposal;
- 1.4 **“Black People”** has the meaning defined in the Broad Based Black Economic Empowerment Act 53 of 2003;
- 1.5 **“Consortium”** means any group of persons wishing to be considered for the provision of the Services required under this RFP, irrespective of whether there is any formal agreement between them;
- 1.6 **“Constitution”** means the Constitution of the Republic of South Africa, Act 108 of 1996;
- 1.7 **“cidb”** means the Construction Industry Development Board;
- 1.8 **“Government”** means the Government of South Africa constituted in terms of the Constitution, any one or more of the three spheres of Government being national, provincial and municipal;
- 1.9 **“Management Control”** means, in relation to any enterprise, the ability to direct or cause the direction of the business and management policies or practices of the enterprise
- 1.10 **“Member”** means, with respect to a Bidder, which is a Consortium, each member thereof, including each Relevant Entity
- 1.11 **“PFMA”** means the Public Finance Management Act, Number 1 of 1999;

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- 1.12 **“Project”** means the appointment of a professional short-term insurance broker to manage the short-term insurance portfolio of the construction industry development board for a period of thirty six (36) months.
- 1.13 **“Project Officer”** The Officials authorised by the cidb to interact with Bidders for this RFP as named in this document;
- 1.14 **“Bidder”** means owner/ entity/ joint venture/ consortium responding to the RFP;
- 1.15 **“RFP”** means the request for proposal issued by the cidb which is made up of the following:
- (i) Volume 1 of 4: Instructions to Bidders,
  - (ii) Volume 2 of 4: SBD Forms
  - (iii) Volume 3 of 4: Terms of Reference
  - (iv) Volume 4 of 4: General Conditions of Contract
- 1.16 **“Successful Bidder”** means the Bidder who following evaluation of its proposal in response to the RFP is selected by the cidb as the party with whom to conclude the Service Level Agreement;
- 1.17 **“ZAR” or “Rand(s)”** means the South African Rand, being the official currency of South Africa.

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**2 BID SUBMISSION**

- 2.1 The cidb provides the information which is contained in or sent with this RFP or which is made available in connection with any further enquiries or in subsequent Briefing Notes, in good faith.
- 2.2 This document (which expression shall include all other information, written or oral, made available during the procurement process) is being made available by the cidb to potential Bidders on the condition that it is used solely for this procurement process and for no other purpose. The cidb is not obliged to accept any response to this RFP.
- 2.3 Bidders to this RFP will be deemed to have satisfied themselves as to the authority of the cidb to procure the Project and to be fully acquainted with the laws of South Africa (including without limitation all statutes and regulations on a national, provincial and municipal level).
- 2.4 Bidders are therefore, at any stage of the Project, not entitled to request any additional information, advice or opinion from any of the officials of the cidb.
- 2.5 Each Bidder to whom this RFP (and other related documents) is made available must make his, her or its own independent assessment of the Project.
- 2.6 While reasonable care has been taken in preparing this RFP and other related documents, it does not purport to be comprehensive or to have been verified by the cidb, its officials, employees, advisors or any other person. The cidb, its officials, employees or any of its advisors do not accept any liability or responsibility for the adequacy, accuracy or completeness of any of the information or opinions stated in this RFP or other related documents.
- 2.7 No representation or warranty, express or implied, is or will be given by the cidb, or any of its officers, employees, servants, agents or advisors with respect to the information or opinions contained in this RFP or other related documents. Any liability in respect of such representations or warranties, howsoever arising is hereby expressly disclaimed.
- 2.8 The cidb reserves the right to amend, modify or withdraw this RFP, or to amend, modify or terminate any of the procedures or requirements of the RFP at any time and from time to time, without prior notice and without liability to compensate or reimburse any Bidder.
- 2.9 If any Bidder or Bidder, its employees, advisors or agents make or offer to make any gift to any public official or employee of the cidb, consultant to the cidb on the Project either directly or through an intermediary then, such Bidder or Bidder will be disqualified forthwith from participating in the procurement of the Project.

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### **3 BIDDERS' DUE DILIGENCE**

- 3.1 Upon receipt of proposals from Bidders, the cidb will assume that the Bidder has sufficiently familiarized themselves with the content of the RFP, its volumes, schedules and related annexures.

### **4 COMPULSORY BRIEFING SESSION**

- 4.1 There will be no compulsory session.

### **5 BID DOCUMENTS**

- 5.1 RFP documents, are obtainable from the cidb website: [www.cidb.org.za](http://www.cidb.org.za)

### **6 SUBMISSION OF PROPOSALS**

#### **6.1 Closing date**

Bidders must submit their proposals on the **23 August 2021** not later than **11h00** at **Reception, cidb Head Office, SABS Campus, Block N & R, 2 Dr Lategan Road, Groenkloof, Pretoria** in the **Tender Box**.

Faxed and Emailed submissions will not be accepted.

#### **6.2 Postponement of closing date**

The cidb reserves the right to postpone the submission date as indicated in Clause 6.1 above, however, Bidders should not pre-empt or rely on any postponements of the submission date as the cidb does not foresee any reasons for postponement at this stage.

#### **6.3 Late submissions**

No late submissions will be accepted by the cidb.

#### **6.4 Incomplete submissions**

Incomplete submissions, namely submissions that do not contain a response as contemplated in this RFP will be marked as incomplete, and may, at the cidb's sole discretion, be rejected.

#### **6.5 Proposals to be considered**

Only proposals submitted by Bidders will be considered for evaluation.



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**6.6 Correction of Errors**

The complete Proposals shall be submitted without alterations, erasures or omissions, except those to accord with instructions issued by the Project Officer through Briefing Notes, in which case, such corrections shall be initialled in black ink by the person or persons signing the proposal.

**6.7 Amendments to Proposals**

The cidb reserves the right, subject to compliance with legal administrative requirements, to request and accept any amendment to or modification of any aspect of any proposal from any selected or Successful Bidder at any time.

**6.8 Cost of Submitting Proposals**

6.8.1 Each Bidder, its relevant entities or any other person shall bear all costs associated with the preparation and submission of its proposal(s), including all its own costs incurred on any of the stages in the procurement process.

6.8.2 Should the process be terminated at any stage as a result of it being tainted by the corrupt activities of one or more of the Bidders and/or Member(s) whether in breach of the provisions of this RFP or other applicable legal requirements, then the cidb shall have the right to recover from the said Bidder and/or Member(s) whose conduct has tainted the process any other damages or costs to the cidb flowing from such termination.

**7 RFP LIAISON STRUCTURE**

7.1 The cidb has implemented a liaison structure whereby the Project has been allocated a Project Officer, Cynthia Masokwe.

7.1.1 Bidders are advised to address all correspondence relating to this Project to the following people as indicated below:

**Technical Queries:** Cynthia Masokwe

Telephone: +27(12) 482 7282

E-mail: [CynthiaM@cidb.org.za](mailto:CynthiaM@cidb.org.za)

**Bidding Process:** Sphiwe Mlangeni

Telephone: +27(12) 482 7328

E-mail: [SphiweM@cidb.org.za](mailto:SphiweM@cidb.org.za)

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- 7.1.2 All correspondence from the Bidder should be addressed to the Project Officer and must be signed by an authorised person or persons, legally binding the Bidder. All such signatures must indicate the name(s) of the person(s) signing them, their position(s) and the name of their organisation.
- 7.1.3 Any additional information, responses to queries and/or changes to the RFP will be communicated to Bidders in the form of Briefing Notes. Bidders are advised to ensure that they have received all issued Briefing Notes.
- 7.1.4 Bidders may ask for clarification on this RFP invite up to 5 (five) business days before the closing date specified for this RFP.

## **8 GENERAL PROPOSAL REQUIREMENTS**

### **8.1 Format of Proposals**

#### **8.1.1 Signing requirements of a single entity**

- 8.1.1.1 Where the Bidder is a single legal entity, the principal or person(s) duly authorised to legally bind the legal entity concerned shall sign the original proposal. Each such person or persons shall be properly authorised to sign such documentation by way of a formal resolution by the board of directors
- 8.1.1.2 , or its equivalent, of the organisation concerned. Copies of such an authorisation, authorising the signatory to the proposal, resolution, properly dated, must accompany each proposal in the format provided in the RFP.
- 8.1.1.3 In addition, the signatory shall make a written declaration to the effect that all documentation signed by him or her is factually correct and true.

#### **8.1.2 Signing requirements of a consortium or joint venture**

- 8.1.2.1 Proposals submitted by a consortium or a joint venture shall be signed by the lead Member so as to legally bind all the constituent members of the consortium.
- 8.1.2.2 Proof of the authorisation of the lead Member to act on behalf of the consortium or a joint venture shall be included in the proposal submitted.



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- 8.1.2.3 The lead Member shall be the only authorised party to make legal statements and receive instruction for and on behalf of any and all partners of the consortium or the joint venture.
- 8.1.2.4 A copy of the agreement entered into by the consortium partners or the joint venture partners for the formation of the consortium or joint venture shall be submitted with the Proposal.
- 8.1.2.5 The consortium/joint venture must submit a consortium/joint venture BBBEE certificate.
- 8.1.2.6 In addition, every signatory shall make a written declaration to the effect that all documentation signed by him or her is factually correct and true.

**8.1.3 Format of submissions**

- 8.1.3.1 Bidders are requested to submit their bids in a clearly structured way. All parts of the proposal are to be clearly headed, pages should be numbered, and a detailed content listing is to be provided. The bids should follow a consistent numbering system (volumes, sections, headings, paragraphs, sub-paragraphs, etc.) that allows for easy cross-referencing, both within the proposal and also in terms of clarification questions, etc.
- 8.1.3.2 All proposals should be submitted in the format as prescribed (in PDF and MS Word or Microsoft compatible products) and according to the following instructions:
  - 8.1.3.2.1 **1 (one) original** printed and 1 (one) soft copy
  - 8.1.3.2.2 Only proposals completed in English will be accepted.
  - 8.1.3.2.3 The onus is on the Bidder to submit all relevant information.
  - 8.1.3.2.4 Bidders must warrant that copy 1, together with the copy, are identical to the submitted original and accept that any inconsistency between the original submission and any copy(ies) will be at their sole risk.
  - 8.1.3.2.5 Bidders are nonetheless requested to avoid unnecessary duplication or repetition of

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information, and not to submit irrelevant information.

**8.1.4 Identification of Proposal document**

8.1.4.1 Bidders should prepare and submit proposals that are clearly and visibly identifiable as a **Proposal for Tender Number CIDB/007/2122** and include the following information on the outside of the Proposal:

- Name of the Bidder;
- Tender number;
- Bid description;
- “Original” or “Copy” clearly indicated;
- Date of submission; and
- Identification of each Proposal parcel.

8.1.4.2 Each and every Proposal parcel included in the proposal document should clearly indicate the following information:

- Name of Bidder;
- Tender number;
- Bid description;
- “Original” or “Copy” clearly indicated; and
- Parcel identification including volume description

**9 PROPOSAL VALIDITY**

**9.1 Validity Period**

Proposals shall remain valid and open for acceptance for a period **120 days from** the closing date, and any agreed extension of the validity period.

**9.2 Extensions to the Validity Period**

The cidb may, in exceptional circumstances, request the Bidder for an extension of the validity period, prior to the expiry of the original proposal validity period. The request and the response thereto shall be made in writing. A Bidder agreeing to the request will not be permitted to modify its Proposal.

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## **10 QUALIFICATION AND EVALUATION**

### **10.1 Evaluation Structure**

10.1.1 The cidb has formed a series of bodies to undertake the evaluation process against the stated evaluation criteria. There will be a 3 (three) tier approach, being:

10.1.1.1 the Bid Evaluation Committee, comprised of officials from the cidb and any other government official(s) or external expert(s), who may be appointed by the accounting officer in writing, to provide professional advice and input regarding the, technical, financial, and BBBEE aspects of the proposals, reporting to the Bid Adjudication Committee. The Bid Evaluation Committee, assisted by its sub-committees on technical, financial, and BBBEE aspects, shall evaluate the proposals received from the Bidders.

10.1.1.2 the Bid Adjudication Committee comprised of the cidb's officials and any other government official(s) or external specialist(s) or expert(s) will consider the recommendations from the Bid Evaluation Committee on the Successful Bidder. The Bid Adjudication Committee will, on the basis of the recommendations received from the Bid Evaluation Committee, further recommend to the Accounting Officer the outcome of the Bid Evaluation Committee's report.

10.1.2 The Accounting Officer reserves the right to modify and amend the above procedures, subject to applicable law at its discretion in appropriate circumstances. Bidders will be notified of any material changes.

### **10.2 Evaluation Approach**

10.2.1 The cidb has adopted a Four (4) stage approach in assessing, analysing and evaluating Proposals, being:

10.2.1.1 **First stage:** Mandatory Requirements

10.2.1.2 **Second Stage:** Administrative Requirements

10.2.1.3 **Third stage:** Functionality

10.2.1.4 **Fourth stage:** Price and B-BBEE

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**10.3 First stage: Mandatory Requirements**

The Bidders must fully comply with the Mandatory requirements and those bidders who fail to comply will be disqualified from the process.

No	Criteria	Yes	No
1.	Member of Financial Sector Conduct Authority (FSCA)		

**10.4 Second stage: Administrative Requirements**

No	Criteria	Yes	No
1.	SDB 1 - Tender notice and invitation to bid. Provide MAAA number.		
2.	SBD2 – Tax compliant with SARS (to be verified through CSD and SARS). Attach a copy of Tax Compliance status Pin.		
3.	Certificate of Authority for signatory / Delegation of authority		
4.	SBD3.1 – Pricing data		
5.	SBD4 – Declaration of interest		
6.	SBD 6.1 – Preference Points Claim form. A certified copy of B-BBEE status level verification certificate or an original sworn affidavit signed by the EME representatives AND attested by Commissioner of Oath		
7.	SBD 8 – Past Supply Chain Practices		
8.	SBD 9 – Certificate of Independent Bid Declaration		
9.	Record of Addenda issued (if any)		
10.	Proof of registration with the National Treasury Central Supplier Database		
11.	Active Registration with Company Intellectual Property Commission (to be verified through CSD and CIPC). Attach a copy of CIPC/CIPRO certificate.		

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12.	Certified copies of South African Identity Documents or Valid Passports of Members. Directors / owner (In a case of a sole proprietor or Partnership)		
13.	A Joint Venture Agreement in case of a Joint Venture		

**10.5 Third Stage: Functionality**

10.5.1 The purpose of application of qualification criteria is to determine the functionality of each proposal by assessing the quality and the robustness thereof.

10.5.2 Below is a detailed breakdown of the scoring criteria for each individual proposal:

Quality criteria	Sub Criteria	Maximum points																		
<b>BIDDERS EXPERIENCE</b>	<p><b>Please provide proof of projects demonstrating the organization’s experience in rendering similar services.</b></p> <p>The demonstration should be in the following format:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Client name</th> <th>Contact details</th> <th>Sum insured</th> <th>Period of cover</th> <th>Claims success rates</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2.</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>(i) 6 projects and above 30                      (ii) 5 projects 21                      (iii) 4 projects 14                      (iv) 3 projects 7</p>	No.	Client name	Contact details	Sum insured	Period of cover	Claims success rates	1.						2.						<b>30</b>
No.	Client name	Contact details	Sum insured	Period of cover	Claims success rates															
1.																				
2.																				
<b>CONTACTABLE REFERENCES</b>	<p><b>The references should not be older than 5 years.</b></p> <p>Please provide six (6) contactable references. The points will be awarded based on a sliding scale of 4 points for each response with positive outcome</p>	<b>24</b>																		
<b>KEY PERSONNEL EXPERIENCE</b>	<p><b>Experience of a Broker in managing contract of corporate insurance portfolio</b>                      (Please provide the broker’s CV illustrating the experience)</p> <p>(i) 8 years and above experience 20                      (ii) 6- 7 years’ experience 15                      (iii) 4- 5 years’ experience 10                      (iv) 3 years 5</p>	<b>20</b>																		

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**APPOINTMENT OF A PROFESSIONAL SHORT-TERM INSURANCE BROKER TO MANAGE THE SHORT-TERM INSURANCE PORTFOLIO OF THE CONSTRUCTION INDUSTRY DEVELOPMENT BOARD FOR A PERIOD OF THIRTY-SIX (36) MONTHS**

<b>METHODOLOGY</b>	Provide a detailed plan with timeliness on how the bidder will manage the insurance portfolio of the cidb in terms of the following:  (i) Risk assessment 5 (ii) Claims management procedure detailing responsibilities of the bidder and the cidb 5 (iii) Proposed Service Level Agreement 5 (iv) Value added services 5	<b>20</b>
<b>QUOTATION</b>	Kindly provide the proposed insurance schedule cover (quotation from underwriters) with policy wording identifying all clauses and extension. The schedule must also include the quoted annual premium summary.  No quote = 0 Quote provided without clauses = 3 Quote provide with clauses and extensions = 6	<b>6</b>
<b>Maximum possible score for quality (M<sub>s</sub>)</b>		<b>100</b>

Bidders from the second stage who will have scored 70 points, or more will qualify for the fourth stage in Price and BBEE.

**10.6 Fourth Stage: Price and BBEE**

10.6.1 Subsequent to the evaluation of essential minimum Criteria and functional criteria, the fourth stage of evaluation of the Bids will be in respect of price and preferential procurement only.

10.6.2 Price proposals should be submitted in South African Rand including Value Added Tax (**VAT**)

10.6.3 The bidder shall provide the price proposal as follows:

10.6.4 **PLEASE NOTE: BIDDERS THAT OMIT AN ITEM FROM THE PRICING SCHEDULE CANNOT ADD THE ITEM ONCE THE TENDER HAS BEEN AWARDED.**

<b>Policy Class</b>	<b>Brokerage %</b>
Fire	
Building	
Office Contents	
Electronic Equipment	
Goods in transit	
Business all risk	
Motor vehicle	
Public liability	

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Employers' liability	
Sasria vehicle	
Sasria non-vehicle	
Directors and Officers Liability	
<b>Other fees (Please specify)</b>	
(1)	
(2)	
<b>Total (% rate)</b>	

10.6.5 The tenders will be evaluated on the basis of the point system as stipulated in the PPPFA. The bidder who achieves the highest total points out of 100 (hundred) will be recommended by the Bid Evaluation Committee (BEC) as the preferred tenderer. In compliance with the Preferential Procurement Regulations 2017, the 80/20 principle will apply for tender prices between the threshold of R30 000 (thirty thousand) to R50 000 000 (fifty million). The 90/10 principle will apply for tender prices with a Rand value above R 50 000 000 (fifty million).

10.6.6 Where it is unclear which preference points system will be applicable, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system.

10.6.7 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

10.6.8 The cidb reserves the right to negotiate price with the preferred bidder.

**10.7 Determination and announcing of Successful Bidder**

The cidb, through the accounting officer shall determine and select a Successful Bidder, after having considered the recommendations prepared by the Bid Evaluation Committee and the report(s) of the Bid Adjudication Committee based on the Bid Evaluation Committee's recommendations.

**11 CONFIDENTIAL INFORMATION**

11.1 Bidders agree to keep information provided pursuant to this RFP confidential ("**Confidential Information**").

11.2 All Confidential Information provided (including all copies thereof) remains the property of the cidb and must be delivered to the cidb on demand.

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- 11.3 By receiving this RFP each Bidder and each of its Members agree to maintain its submission in response to this RFP confidential from third parties other than the cidb and its officials, officers and advisors who are required to review the same for the purpose of the procurement of the Project.
- 11.4 The Confidential Information provided by the cidb may be made available to a Bidder's Relevant Entity, members, employees and professional advisors who are directly involved in the appraisal of such information (who must be made aware of the obligation of confidentiality).
- 11.5 Bidder's Relevant Entity, members, employees and professional advisors shall not be entitled to, either in whole or in part; copy, reproduce, distribute or otherwise make available to any other party the Confidential Information without the prior written consent of the cidb.
- 11.6 The Confidential Information may not be used for any other purpose than that for which it is intended.
- 11.7 All Confidential Information provided (including all copies thereof) remains the property of the cidb and must be delivered to the cidb on demand.
- 11.8 Bidders, Relevant Entities, members, employees and professional advisors may be required to sign confidentiality agreements.

**12 INTELLECTUAL PROPERTY**

All materials and data which are submitted by Bidders shall become the sole property of the cidb, with the exception of copyrighted material, trade secrets or other proprietary information clearly identified as such by Bidders.

**13 INDEMNITY**

Bidders shall be deemed by their submission of a proposal to agree to indemnify the cidb and hold it harmless from any claim or liability and defend any action brought or legal step against the cidb for its refusal to disclose materials marked confidential, trade secret or other proprietary information to any person seeking access thereto.

**14 GOVERNING LAWS AND RULES**

- 14.1 The primary enabling legislation for the Project is the PFMA together with the cidb Act, which regulate and create the competency of the cidb to procure and implement the Project.

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14.2 This RFP is issued by the cidb in terms of the cidb Act and SCM read with the PFMA, as the formal step of the procurement process.

14.3 Procurement of the Project will be carried out following prescribed legislation, which includes the Constitution, the Preferential Procurement Policy Framework Act, Number 5 of 2000 and the PFMA.

**14.4 Bidder’s Responsibilities**

14.4.1 If a Bidder identifies any ambiguities, errors or inconsistency between the various documents that form part of this RFP, the Bidders should notify the cidb and the cidb will provide clarification as to the intended position.

14.4.2 To the extent that any inconsistency exists between the terms of the General Conditions of Contract and any other provision in the RFP, but such inconsistency is not identified by any Bidder and/or clarified by the cidb prior to submission of the Bidder’s Proposal, the terms of the General Conditions of Contract shall prevail.

**14.5 Contact Policy**

14.5.1 Bidders and their constituent Members, as well as their agents and advisors and related parties may not contact the employees, advisors of the cidb or any other cidb’s official(s) who may be associated with this solicitation (other than the Project Officer), without the prior written approval of the Project Officer save in the case of pre-existing commercial relationships, in which case contact may be maintained only with respect thereto and, in making such permitted contact, no party may make reference to this solicitation or procurement.

14.5.2 This no-contact policy does not apply to any information deemed to be in the public domain, or which is readily available from public bodies within the Republic of South Africa where such information is not Project specific and is not under the control of the cidb.

14.5.3 Bidders, Members, their agents, advisors and related parties may not contact the employees, advisors of the cidb or any of the cidb official(s) engaged in the Project, with a view to offering, whether directly or indirectly, any one or more of them an employment opportunity with the Bidder or any Member thereof.

**14.6 Corruption**

14.6.1 The cidb is committed to ethical and clean business practice and will not tolerate any impropriety in any respect and in particular with regard to the Project.

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- 14.6.2 If any Bidder, Member or their employees, shareholders, representatives, advisors or agents make or offers to make any gift or other gratuity to any public official or employee of the cidb, relevant authority, or consultant to the cidb on the Project either directly or through an intermediary, the cidb reserves the right to terminate its relationship, without prejudice to any of Government's rights, with that Bidder or responsible party or entity.
- 14.6.3 The cidb and each Bidder must give an undertaking that everything possible would be done to avoid irregularities, bribery and corruption. The cidb reserves the right to appoint an independent probity auditor to monitor in this regard the procurement process and the activities during the contract period.

**14.7 No partnership, No offer**

- 14.7.1 This RFP, initially is not an offer to enter into contractual relations but merely a solicitation of proposals to select a Successful Bidder and to conclude negotiations with such Successful Bidder. Thereafter the Successful Bidder together with the cidb shall enter into a Service Level Agreement.

**14.8 Independent Submission**

- 14.8.1 By responding to this RFP each Bidder and its constituent Members certifies that:
  - 14.8.1.1 its proposal has been submitted independently, without consultation, communication, or agreement for restricting competition, with any other Bidder or to any other competitor or potential competitor.
  - 14.8.1.2 unless otherwise required by law, the relevant proposal has not been knowingly disclosed by it and will not knowingly be disclosed by it prior to opening, directly or indirectly to any other Bidder, member of another Bidder or to any competitor or potential competitor; and
  - 14.8.1.3 no attempt has been made or will be made by it to induce any other person or firm to submit a proposal for the purpose of restricting competition.
- 14.8.2 The attention of each Bidder and their constituent Members is also drawn to Section 4(1) (b) (iii) of the Competition Act Number 89 of 1998, which prohibits 'collusive tendering'.
- 14.8.3 Any material failure on the part of a Bidder to comply with the Mandatory Response Requirements and Essential Minimum Requirements in this RFP, to the extent that same are not waived by the cidb, may result in a

For cidb

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proposal being treated as non-compliant. Non-compliant responses may be rejected without being further evaluated.

**14.9 Grounds for Disqualification**

14.9.1 The following events, in addition to any other events contained in this RFP, constitute (without being exhaustive) grounds upon which a Bidder (or if appropriate in the cidb’s determination, any Member thereof) may be disqualified at any stage of the Project procurement process:

14.9.1.1 an infringement of the confidentiality undertaking by any Bidder, Member or any director, officer, agent, trustee or advisor of the Bidder and/or Member.

14.9.1.2 past, present, or future participation by any Bidder, Member or any director, officer, agent, trustee or advisor of the Bidder and/or Member in any activity which may constitute corruption, bribery or impropriety, during the Project procurement process, or any other government procurement process.

14.9.1.3 an infringement by any Bidder, Member or any director, officer, agent, trustee or advisor of the Bidder and/or Member of any one or more of the provisions of Contact Policy, Independent Submission, or Corruption or any portion of such section(s).

14.9.1.4 Any Bidder and/or their constituent Member(s) that engages or communicates with any of the officials, agents or advisors to the Project on any matter concerning the Project at any time during the Project procurement process, without due authority of the Project Officer, shall be disqualified from further participation in the procurement process.

14.9.1.5 Bidders are required to submit correct and true information. Failure to provide correct and true information constitutes a ground for disqualification.

14.9.1.6 Any change in composition, control or structure of a Bidder or any one or more of its Members from that set out in their response to the RFP, without the prior written consent for the cidb constitutes a ground for disqualification.

**14.10 Undertaking by Bidders**

14.10.1 By signing a submission in response to this RFP, each Bidder signatory warrants that save as disclosed in writing to the cidb , the response to the RFP and the information supplied by it (and its constituent members) remains true and warrants further that, save for any disclosures in writing to the cidb, each Member of the Bidder has:

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**APPOINTMENT OF A PROFESSIONAL SHORT-TERM INSURANCE BROKER TO MANAGE THE SHORT-TERM INSURANCE PORTFOLIO OF THE CONSTRUCTION INDUSTRY DEVELOPMENT BOARD FOR A PERIOD OF THIRTY-SIX (36) MONTHS**

- 14.10.1.1 not passed a resolution nor is the subject of an order by the court for the company's winding-up.
- 14.10.1.2 not been convicted of a criminal offence relating to the conduct of its business or profession.
- 14.10.1.3 not committed an act of grave misconduct in the course of its business or profession.
- 14.10.1.4 fulfilled obligations relating to the payment of taxes under the laws of the Republic of South Africa.
- 14.10.1.5 not made any misrepresentation in providing any of the information required in relation to the above; and
- 14.10.1.6 not had any of their directors and/or shareholders listed on the Register of Tender Defaulters in terms of the Prevention and Combating of Corrupt Activities Act Number 12 of 2014, as a person prohibited from doing business with the public sector

**15 INCORRECT OR MISLEADING INFORMATION**

The cidb may disqualify any Bidder and/or revoke any decision in respect of the selection of a Successful Bidder or the announcement of the successful conclusion of negotiations with the Successful Bidder if such decision was based on incorrect information which the Bidder or its constituent members, advisors and/or agents provided in response to this RFP.

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*DEVELOPMENT THROUGH PARTNERSHIP*

**APPOINTMENT OF A PROFESSIONAL SHORT-TERM  
INSURANCE BROKER TO MANAGE THE SHORT-TERM  
INSURANCE PORTFOLIO OF THE CONSTRUCTION  
INDUSTRY DEVELOPMENT BOARD FOR A PERIOD OF  
THIRTY-SIX (36) MONTHS**

**VOLUME 2 OF 4: SBD FORMS**

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**APPOINTMENT OF A PROFESSIONAL SHORT-TERM INSURANCE BROKER TO MANAGE THE SHORT-TERM INSURANCE PORTFOLIO OF THE CONSTRUCTION INDUSTRY DEVELOPMENT BOARD FOR A PERIOD OF THIRTY-SIX (36) MONTHS**

Page 3 of 22

SBD 1

**PART A  
INVITATION TO BID**

**YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE CONSTRUCTION INDUSTRY DEVELOPMENT BOARD**

BID NUMBER:	CIDB/007/2122	CLOSING DATE:	23 AUGUST 2021	CLOSING TIME:	11:00
-------------	---------------	---------------	----------------	---------------	-------

**DESCRIPTION** APPOINTMENT OF A PROFESSIONAL SHORT-TERM INSURANCE BROKER TO MANAGE THE SHORT-TERM INSURANCE PORTFOLIO OF THE CONSTRUCTION INDUSTRY DEVELOPMENT BOARD FOR A PERIOD OF THIRTY-SIX (36) MONTHS

**BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)**

cidb Head Office;  
SABS Campus  
Block N and R;  
2 Dr Lategan Road;  
Groenkloof

**VALIDITY PERIOD** 120 DAYS

**COMPULSORY BRIEFING SESSION DATE AND TIME** N/A

**VENUE** N/A

**BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO** **TECHNICAL ENQUIRIES MAY BE DIRECTED TO:**

<b>CONTACT PERSON</b>	<b>Mr Sphiwe Mlangeni</b>	<b>CONTACT PERSON</b>	<b>Cynthia Masokwe</b>
-----------------------	---------------------------	-----------------------	------------------------

<b>TELEPHONE NUMBER</b>	<b>012 482 7328</b>	<b>TELEPHONE NUMBER</b>	<b>012 482 7282</b>
-------------------------	---------------------	-------------------------	---------------------

<b>FACSIMILE NUMBER</b>	<b>086 618 5572</b>	<b>FACSIMILE NUMBER</b>	
-------------------------	---------------------	-------------------------	--

<b>E-MAIL ADDRESS</b>	<a href="mailto:SphiweM@cidb.org.za">SphiweM@cidb.org.za</a>	<b>E-MAIL ADDRESS</b>	<a href="mailto:CynthiaM@cidb.org.za">CynthiaM@cidb.org.za</a>
-----------------------	--------------------------------------------------------------	-----------------------	----------------------------------------------------------------

**SUPPLIER INFORMATION**

**NAME OF BIDDER**

**POSTAL ADDRESS**

**STREET ADDRESS**

<b>TELEPHONE NUMBER</b>	<b>CODE</b>	<b>NUMBER</b>
-------------------------	-------------	---------------

**CELLPHONE NUMBER**

<b>FACSIMILE NUMBER</b>	<b>CODE</b>	<b>NUMBER</b>
-------------------------	-------------	---------------

**E-MAIL ADDRESS**

**VAT REGISTRATION NUMBER**

**TOTAL BID PRICE** R

<b>SUPPLIER COMPLIANCE STATUS</b>	<b>TAX COMPLIANCE SYSTEM PIN:</b>	<b>OR</b>	<b>CENTRAL SUPPLIER DATABASE No:</b>
-----------------------------------	-----------------------------------	-----------	--------------------------------------

<b>B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE</b>	<b>TICK APPLICABLE BOX</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>B-BBEE STATUS LEVEL SWORN AFFIDAVIT</b>	<b>TICK APPLICABLE BOX</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
-----------------------------------------------------	----------------------------------------------------------------------------------------	--------------------------------------------	----------------------------------------------------------------------------------------

**[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]**

For cidb

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ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE <b>GOODS /SERVICES /WORKS OFFERED?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW ]
-----------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------	---------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------

<b>QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>	
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
DOES THE ENTITY HAVE A BRANCH IN THE RSA? NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? <input type="checkbox"/> NO	<input type="checkbox"/> YES
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
<b>IF THE ANSWER IS “NO” TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.</b>	

**PART B  
TERMS AND CONDITIONS FOR BIDDING**

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

For cidb

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

SIGNATURE OF BIDDER: .....

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

DATE:.....

**NOTE**  
Blacklisted companies appearing on the National Treasury database and prohibited from conducting business with public entities, shall not be considered.  
For verification, cidb reserves the right to conduct site visits and interview officials who's CVs have been submitted as part of this bid.  
Late, Faxed or emailed bids or part thereof, shall not be considered.

For cidb

Witness

Bidder

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**TAX CLEARANCE CERTIFICATE**

**TAX CLEARANCE CERTIFICATE REQUIREMENTS**

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

1. In order to meet this requirement bidders are required to complete in full the attached 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.
2. SARS shall the n furnish the bidder with a Tax Clearance Certificate that shall be valid for a period of one (1) year from the date of approval.
3. The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate shall result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate shall not be acceptable.
4. In bids where Consortia / Joint Ventures / subcontractors are involved, each party must submit a separate Tax Clearance Certificate.
5. 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](http://www.sars.gov.za).
6. Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers shall need to register with SARS as eFilers through the website [www.sars.gov.za](http://www.sars.gov.za).

For cidb

Witness

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**CERTIFICATE OF AUTHORITY FOR SIGNATORY**

Indicate the status of the tenderer by ticking the appropriate box hereunder. The tenderer must complete the certificate set out below for the relevant category, and attach their Registration Certificates for Companies, Close Corporations and Partnerships, or Agreements and Powers of Attorney for Joint Ventures, or ID documents to the page provided at the end of this form.

<b>(I) COMPANY</b>	<b>(II) CLOSE CORPORATION</b>	<b>(III) PARTNERSHIP</b>	<b>(IV) JOINT VENTURE</b>	<b>(V) SOLE PROPRIETOR</b>

**(I) CERTIFICATE FOR COMPANY**

I, .....chairperson of the Board of Directors of ..... hereby confirm that by resolution of the Board (Copy attached) taken on ..... 20....., Mr/Ms acting in the capacity of , was authorized to sign all documents in connection with the tender for Contract No..... and any contract resulting from it, on behalf of the company.

**Chairman:**

**As Witnesses:** 1. \_\_\_\_\_

2. \_\_\_\_\_

**Date:** \_\_\_\_\_

**(II) CERTIFICATE FOR CLOSE CORPORATION**

We, the undersigned, being the key members in the business trading as .....hereby authorize Mr./Ms ..... acting in the capacity of, to sign all documents in connection with the tender for Contract No ..... and any contract resulting from it, on our behalf.

NAME	ADDRESS	SIGNATURE	DATE

**Note :** This certificate is to be completed and signed by all of the key members upon whom rests the direction of the affairs of the Close Corporation as a whole.

For cidb

Witness

Bidder

Witness

**(III).CERTIFICATE FOR PARTNERSHIP**

We, the undersigned, being the key partners in the business trading as hereby authorize Mr./Ms.....acting in the capacity of ..... to sign all documents in connection with the tender for Contract No ..... and any contract resulting from it, on our behalf.

NAME	ADDRESS	SIGNATURE	DATE

**Note :** *This certificate is to be completed and signed by all of the key partners upon whom rests the direction of the affairs of the Partnership as a whole.*

**(IV) CERTIFICATE FOR JOINT VENTURE**

We, the undersigned, are submitting this tender offer in Joint Venture and hereby authorize Mr/Ms ..... authorized signatory of the company, acting in the capacity of lead partner, to sign all documents in connection with the tender offer for Contract No ..... and any contract resulting from it, on our behalf. This authorization is evidenced by the attached power of attorney signed by legally authorized signatories of all the partners to the Joint Venture.

NAME OF FIRM	ADDRESS	AUTHORISING SIGNATURE, NAME AND CAPACITY

**Note:** *This certificate/Agreement is to be completed and signed by all the key partners upon whom rests the direction of the affairs of the Partnership as a whole.*

**(V) CERTIFICATE FOR SOLE PROPRIETOR**

I, \_\_\_\_\_, hereby confirm that I am the sole owner of the business trading as \_\_\_\_\_

**Signature** of Sole owner:

**As Witnesses:**

1. \_\_\_\_\_
2. \_\_\_\_\_



For cidb



Witness



Bidder



Witness

**SBD 3.1**

**SUMMARY PRICING SCHEDULE**

1. The tender must price all items contained in the Pricing Schedule below. Failure to bid for all items shall be deemed as **bidding out of scope**.
2. Bidders must provide a pricing schedule according to the proposal. The total bid price (including VAT) must be stated in the cover page of this RFB
3. Tender prices must be in ZAR currency ('R)
4. Brokers fees and any other administrative fees that will be payable, must be indicated as separate items in the Gross insurance premium tendered
5. The premium tendered must remain firm for the first initial period of 12 months, thereafter the annual escalation of the premium for subsequent years must not exceed the reasonably anticipated industry-related CPI

<b>Policy Class</b>	<b>Brokerage %</b>
Fire	
Building	
Office Contents	
Electronic Equipment	
Goods in transit	
Business all risk	
Motor vehicle	
Public liability	
Employers' liability	
Sasria vehicle	
Sasria non-vehicle	
Directors and Officers Liability	
<b>Other fees (Please specify)</b>	
(1)	
(2)	
<b>Total (% rate)</b>	

For cidb

Witness

Bidder

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DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state<sup>1</sup>, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

- 1.1 the bidder is employed by the state; and/or
- 1.2 the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

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

- 2.1 Full Name of bidder or his or her representative: .....
- 2.2 Identity Number: .....
- 2.3 Position occupied in the Company (director, trustee, shareholder?): .....
- 2.4 Company Registration Number: .....
- 2.5 Tax Reference Number: .....
- 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 / persal 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**

- 2.7.1 If so, 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: .....

Any other particulars: .....

2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector? **YES / NO**

2.7.2.1 If yes, did you attached proof of such authority to the bid document? **YES / NO**

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

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

2.8 Did you or your spouse, or any of the company's directors /trustees /shareholders /members or their spouses conduct business with the state in the previous twelve months? **YES/NO**

For cidb

Witness

Bidder

Witness

2.8.1 If so, furnish particulars:

.....  
 .....

<sup>1</sup>“State” means –

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

<sup>2</sup>“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.

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) **YES/NO** with a person employed by the state and who may be involved with the evaluation and/ or adjudication of this bid?

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.**

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

For cidb

Witness

Bidder

Witness

**4 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 IN TERMS OF PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION PROVE TO BE FALSE.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Position

\_\_\_\_\_  
Name of bidder

For cidb

Witness

Bidder

Witness



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

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

**NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.**

**1. GENERAL CONDITIONS**

1.1 The following preference point systems are applicable to all bids:

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2

- a) The value of this bid is estimated to exceed R50 000 000 (all applicable taxes included) and therefore the 90/10 preference point system shall be applicable; or
- b) The 90/10 preference point system will be applicable to this tender.

1.3 Points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contributor.

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

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

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

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

**2. DEFINITIONS**

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

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

**3. POINTS AWARDED FOR PRICE**

**3.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS**

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

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

Where

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

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

4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20

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B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

**5. BID DECLARATION**

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

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

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

**7. SUB-CONTRACTING**

7.1 Will any portion of the contract be sub-contracted?

(Tick applicable box)

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

7.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted.....%
- ii) The name of the sub-contractor.....
- iii) The B-BBEE status level of the sub-contractor.....
- iv) Whether the sub-contractor is an EME or QSE

(Tick applicable box)

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

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

Designated Group: An EME or QSE which is at last 51% owned by:	EME	QSE
	√	√
Black people		
Black people who are youth		
Black people who are women		

For cidb

Witness

Bidder

Witness

**APPOINTMENT OF A PROFESSIONAL SHORT-TERM INSURANCE BROKER TO MANAGE THE SHORT-TERM INSURANCE PORTFOLIO OF THE CONSTRUCTION INDUSTRY DEVELOPMENT BOARD FOR A PERIOD OF THIRTY-SIX (36) MONTHS**

Designated Group: An EME or QSE which is at last 51% owned by:	EME	QSE
	√	√
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
<b>OR</b>		
Any EME		
Any QSE		

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

8.1 Name of company/firm:.....

8.2 VAT registration number:.....

8.3 Company registration number:.....

**8.4 TYPE OF COMPANY/ FIRM**

- Partnership/Joint Venture / Consortium
  - One person business/sole propriety
  - Close corporation
  - Company
  - (Pty) Limited
- [TICK APPLICABLE BOX]

**8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES**

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

**8.6 COMPANY CLASSIFICATION**

- Manufacturer
  - Supplier
  - Professional service provider
  - Other service providers, e.g. transporter, etc.
- [TICK APPLICABLE BOX]

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

8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in

For cidb

Witness

Bidder

Witness

**APPOINTMENT OF A PROFESSIONAL SHORT-TERM INSURANCE BROKER TO MANAGE THE SHORT-TERM INSURANCE PORTFOLIO OF THE CONSTRUCTION INDUSTRY DEVELOPMENT BOARD FOR A PERIOD OF THIRTY-SIX (36) MONTHS**

paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;

- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
  - (a) disqualify the person from the bidding process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
  - (e) forward the matter for criminal prosecution.

WITNESSES

1. ....

2. ....

.....  
SIGNATURE(S) OF BIDDERS(S)

DATE: .....

ADDRESS .....

.....

.....

For cidb

Witness

Bidder

Witness

**DECLARATION OF BIDDER'S PAST SCM PRACTICES**

- 1 This Standard Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by institutions in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 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.
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

Item	Question	Yes	No
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 <i>audi alteram partem</i> rule was applied).  The Database of Restricted Suppliers now resides on the National Treasury's website ( <a href="http://www.treasury.gov.za">www.treasury.gov.za</a> ) and can be accessed by clicking on its link at the bottom of the home page.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	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)? <b>The Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
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?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
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?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		

For cidb

Witness

Bidder

Witness

**CERTIFICATION**

**I, THE UNDERSIGNED (FULL NAME).....  
CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS TRUE  
AND CORRECT.**

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

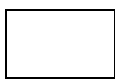
.....  
**Signature**

.....  
**Date**

.....  
**Position**

Js365bW

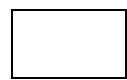
.....  
**Name of Bidder**



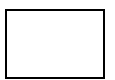
For cidb



Witness



Bidder



Witness

**SBD 9**

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:  
**CIDB/007/2122**, 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 Bidding Company)

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<sup>3</sup> will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
  - (a) prices;
  - (b) geographical area where product or service will be rendered (market allocation)
  - (c) methods, factors or formulas used to calculate prices;
  - (d) the intention or decision to submit or not to submit, a bid;
  - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
  - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
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

For cidb

Witness

Bidder

Witness



**APPOINTMENT OF A PROFESSIONAL SHORT-TERM INSURANCE BROKER TO MANAGE THE SHORT-TERM INSURANCE PORTFOLIO OF THE CONSTRUCTION INDUSTRY DEVELOPMENT BOARD FOR A PERIOD OF THIRTY-SIX (36) MONTHS**

Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder

**<sup>3</sup> Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.**

For cidb

Witness

Bidder

Witness

**RECORD OF ADDENDA TO TENDER DOCUMENTS**

We confirm that the following communications received from the Employer before the submission of this tender offer, amending the tender documents, have been taken into account in this tender offer:

	<b>Date</b>	<b>Title or Details</b>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

SIGNATURE: ..... DATE: .....  
 (of person authorized to sign on behalf of the Tenderer)

For cidb

Witness

Bidder

Witness



*DEVELOPMENT THROUGH PARTNERSHIP*

**APPOINTMENT OF A PROFESSIONAL SHORT-TERM  
INSURANCE BROKER TO MANAGE THE SHORT-TERM  
INSURANCE PORTFOLIO OF THE CONSTRUCTION  
INDUSTRY DEVELOPMENT BOARD FOR A PERIOD OF  
THIRTY-SIX (36) MONTHS**

**VOLUME 3 OF 4: TERMS OF REFERENCE**

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## **1. ASSIGNMENT OBJECTIVE**

The objective of this assignment is to appoint a professional short-term insurance intermediary who are members of the Financial Sector Conduct Authority (FSCA) and who comply with the financial Advisory intermediary Services (FAIS) Act, to manage the short-term insurance portfolio of the Construction Industry Development Board for a period of thirty six (36) months.

## **2. CLIENT'S / EMPLOYER'S OBJECTIVES**

The Construction Industry Development Board (cidb) is a Schedule 3A public entity. The Board comprises of private and public sector individuals appointed by the Minister of Public Works on the basis of their individual knowledge and expertise. It is supported by knowledge – based organization that is committed to the development objectives defined in the cidb Act (Act 38 of 2000).

The cidb mandate is to:

- Provide strategic leadership to construction industry stakeholders developing effective partnership for growth, reform and improvement of the construction sector;
- Promote sustainable growth of the construction industry and the sustainable participation of the emerging sector in the industry;
- Promote improved performance and best practice of public and private sector clients, contractor and other participants in the construction delivery process;
- Promote procurement and delivery management, the uniform application of policy throughout all spheres of government, uniform and ethical standards including a code of conduct;
- Establish the registration of projects and contractors and other suppliers, to systematically regulate and monitor the performance of the industry and its stakeholders for sustainable growth, delivery and empowerment and for improved performance and capability;
- The cidb's operational structure is summarized below. Note that while the individual Business units are presented here, the cidb operates in an integrated and cross-cutting manner.

In order to comply with section 51(1) ('c) of the Public Finance Management Act which places responsibility on the Accounting Authority to ensure that the assets and liabilities of the entity are adequately safeguarded. To ensure that the risk of exposure is minimised, the cidb seeks to appoint a service provider to perform the following functions:

- Negotiate and place the cidb's insurance portfolio with insurance underwriters and present the underwriting terms to the cidb for acceptance each year.
- Assess the cidb's insurance cover and provide advice on the adequacy of the cover to be taken out on short term assets.

- Cover the liability of the cidb's directors and officers.

### **3. EXTENT OF THE SERVICE**

The service provider should possess the experience, expertise and knowledge to assist the cidb with the following:

#### **3.1 Underwriting Administration**

- At the inception of the contract, perform a risk assessment that will determine the extent of cover the cidb must insure against.
- Provision of quotations for any additional cover required by the cidb
- Place the insurance cover with the selected insurance underwriters after acceptance of the quote by the cidb
- Attend to meetings as and when required by the cidb to discuss any matter relating to the cover which might be of a technical nature.

#### **3.2 Claims Administration**

- Administer insurance claims for all the types of cover taken out by the cidb.
- Appoint an assessor, where necessary, to evaluate any event that requires a detailed reporting to determine the extent of loss/claim.
- Provide reasons for all claims not honoured by the insurance underwriters.
- Liaise directly with the underwriters regarding any aspects of the claim.
- Submit full reports either monthly, quarterly or yearly in respect of claims submitted by the cidb indicating the status of each.

#### **3.3 Placement or renewal of the cidb's insurance portfolio**

- Assess the cidb's insurance requirements as reflected in the tender specifications.
- Submit the cidb's information with regards to the latest insurance statistics to the proposed Insurance Underwriters.
- Attend to meetings with the cidb to discuss the underwriting terms and premiums.
- Assess the cidb's insurance requirements yearly.
- Negotiate with the insurance underwriters on a suitable premium and insurance terms based on existing insurance cover and updated asset register.

**4. CLAIMS EXPERIENCE**

The claims experience for the cidb for the past three (3) years is as per the below table:

<b>Insured year</b>	<b>Peril code</b>	<b>Status</b>	<b>Date closed</b>	<b>Own damage paid</b>	<b>Total excess paid</b>	<b>Total claim value</b>
2018	Theft	Closed - Settled	2019-02-26	R 18 450,56	R 2 050,06	R 18 450,56
2019	Theft	Closed - Settled	2020-06-29	R 18 303,57	R 2 033,73	R 18 303,57
2020	Theft of Equipment	Closed - Settled	2021-02-26	R 13 388,17	R 1 487,57	R 13 388,17
2020	Theft	Closed - Settled	2021-02-11	R 18 303,57	R 2 033,73	R 18 303,57
2020	Accidental Damage	Closed - Claim documents outstanding	2021-04-08	R 7 793,00	R 0,00	R 7 793,00
2021	Hail/storm/wind	Closed - No response received from insured over 40 days open	2021-02-23	R 0,00	R 0,00	R 0,00
2021	Theft of Equipment	Awaiting Broker Feedback		R 0,00	R 0,00	R 17 000,00







## **6. USE OF REASONABLE CARE AND SKILL**

The successful bidder must use adequate skills and care to ensure that:

- The turnaround times are adhered to as per the Service Level Agreement (SLA)
- Agreed processes are clearly understood and adhered to,
- Any risks unknown to the cidb are identified and communicated within reasonable time.
- The service provider is registered with the Financial Sector Conduct Authority (FSCA) as a Financial Service Provider (FSP). Certified copies of the certificate of membership of FSCA must be attached.
- Policies are underwritten by the South African Special Risk Insurance Association (SASRIA)

## **7. CO-OPERATION WITH OTHER SERVICE PROVIDERS**

The successful bidder will be expected to cooperate with the car tracking companies and any other companies that the cidb deems necessary for the administration of the insurance policy.

## **8. APPROVALS**

All claims for the replenishment of any movable/immovable assets will be executed by the insurer upon receipt of authorization from the Chief Financial Officer or his/her delegate.

## **9. ACCESS TO LAND/ BUILDINGS/ SITES**

During the inspection and assessment of location of assets, the successful bidder shall be provided with access to the cidb buildings.

## **10. PLANNING AND PROGRAMMING**

Upon the commencement of the contract, the successful bidder may conduct site assessments as part of the take-on project.

## **11. FORMAT OF COMMUNICATIONS**

Communication with the successful bidder shall be in the form of meetings as and when required, telephonically, or by means of e-mails.

## **12. KEY PERSONNEL**

Bidders must supply a comprehensive CV of a key account manager. The CV must be accompanied by certified copies of relevant qualifications to support the knowledge and acquired skills.

### **13. MANAGEMENT MEETINGS**

The successful bidder shall be available for meetings with the cidb's project manager on any matter relating to extent of services or deviations from the SLA.

### **14. FORMS OF CONTRACT ADMINISTRATION**

The National Treasury's General Conditions of Contract document must be signed and submitted with the bid document. A service Level Agreement will be entered into with the bidder that wins the bid.



*DEVELOPMENT THROUGH PARTNERSHIP*

**APPOINTMENT OF A PROFESSIONAL SHORT-TERM  
INSURANCE BROKER TO MANAGE THE SHORT-TERM  
INSURANCE PORTFOLIO OF THE CONSTRUCTION INDUSTRY  
DEVELOPMENT BOARD FOR A PERIOD OF THIRTY-SIX (36)  
MONTHS**

**VOLUME 4 OF 4: GENERAL CONDITIONS OF CONTRACT**

**GOVERNMENT PROCUREMENT  
GENERAL CONDITIONS OF CONTRACT****Notes**

The purpose of this document is to:

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

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

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

The  
Purchaser

Witness

The Seller

Witness

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Purchaser

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## 1. DEFINITIONS

The following terms shall be interpreted as indicated:

- 1.1. **“Closing time”** means the date and hour specified in the tender documents for the receipt of Tenders.
- 1.2. **“Contract”** means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- 1.3. **“Contract price”** means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- 1.4. **“Corrupt practice”** means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
- 1.5. **“Countervailing duties”** are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- 1.6. **“Country of origin”** means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- 1.7. **“Day”** means calendar day.
- 1.8. **“Delivery”** means delivery in compliance of the conditions of the contract or order.
- 1.9. **“Delivery ex stock”** means immediate delivery directly from stock actually on hand.
- 1.10. **“Delivery into consignees store or to his site”** means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the goods are so delivered and a valid receipt is obtained.

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- 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 Tender submission) designed to establish Tender 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 tender 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 goods covered by the Tender will be manufactured.
- 1.17. **"Local content"** means that portion of the tender 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 tender documents.

The  
Purchaser

Witness

The Seller

Witness

- 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. **“Supplier”** means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.
- 1.26. **“Tort”** means in breach of contract.
- 1.27. **“Turnkey”** means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.
- 1.28. **“Written” or “in writing”** means hand-written in ink or any form of electronic or mechanical writing.

## 2. APPLICATION

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

The  
Purchaser

Witness

The Seller

Witness

### 3. GENERAL

- 3.1. Unless otherwise indicated in the tender documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a Tender. Where applicable a non-refundable fee for documents may be charged.
- 3.2. Invitations to Tender are usually published in locally distributed news media and on the municipality/municipal entity website.

### 4. STANDARDS

- 4.1. The goods supplied shall conform to the standards mentioned in the tender 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.

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## 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.
- 6.2. When a supplier developed documentation / projects for the municipality / municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality / municipal entity payments due by either party under this agreement shall be made at such bank account in the Republic of South Africa as the other party may specify

## 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 tender 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. the effective date, all the risks and benefits of ownership of the property, shall pass to the Purchaser.

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## 8. INSPECTIONS, TESTS AND ANALYSES

- 8.1. All pre-tender testing will be for the account of the bidder.
- 8.2. If it is a Tender condition that goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.
- 8.3. If there are no inspection requirements indicated in the tender 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 goods 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 goods or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6. Goods 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 goods 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 goods 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 goods, which do comply with the requirements of the contract. Failing such removal the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods as may be necessary at the expense of the supplier.

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- 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 22 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, and in any subsequent instructions ordered by the purchaser.

## 10. DELIVERY AND DOCUMENTS

- 10.1. Delivery of the goods and arrangements for shipping and clearance obligations shall be made by the supplier in accordance with the terms specified in the contract. Each party shall, within 7 (seven) days of being called upon to do so by the conveyancer, sign all documents required to be signed, and furnish all documents required to be furnished by that party, to enable transfer of the property to be given to the Purchaser.

## 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 of any monies due to any party in terms of the adjustment account shall not constitute part of the purchase price and shall be affected separately from the payment of the purchase price.

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**12. TRANSPORTATION**

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

**13. INCIDENTAL SERVICES**

13.1. The supplier may be required to provide any or all of the following services, including additional services, if any:

(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.

13.3. Seller confirms hereby that it is an Investment Company and not a Trader as contemplated in Section 34 of the Insolvency Act, 1936, as amended ("the Insolvency Act") and the parties hereto agree that notice of this transaction will not be required to be published as contemplated in Section 34 of the Insolvency Act.

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**14. SPARE PARTS**

14.1. As specified, 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 demand specific performance of this agreement and to take such action as may be necessary in order to implement and fulfil its rights in terms hereof and to recover any damage which it may suffer as a result of the defaulting party's breach of contract;

**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.

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- 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 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, 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.
- 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.

**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 Tender, with the exception of any price adjustments authorized or in the purchaser’s request for Tender validity extension, as the case may be.

**18. VARIATION ORDERS**

- 18.1. In cases where the estimated value of the envisaged changes in purchase does not vary more than 15% of the total value of the original contract, the contractor may be instructed to deliver the goods or render the services as such. In cases of measurable quantities, the contractor may be approached to reduce the unit price, and such offers may be accepted provided that there is no escalation in price.

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**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. SUB- CONTRACTS**

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

**21. DELAYS IN SUPPLIER 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. 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 goods are required, or the supplier’s services are not readily available.

21.4. 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 22.2 without the application of penalties.

21.5. Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without cancelling the contract, be entitled to purchase goods of a similar quality and up to the same quantity in substitution of the goods not supplied in

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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

## 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 judgement 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.

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## 24. ANTIDUMPING AND COUNTERVAILING DUTIES AND RIGHTS

- 24.1. When, after the date of Tender, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or antidumping 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 supplier to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the supplier in regard to goods 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.

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**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.

**28. LIMITATION OF LIABILITY**

- 28.1. Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 28.2. 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 for goods delivered and / or services rendered according to the prescripts of the contract.
- 28.3. 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.

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**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.

**31. NOTICES**

- 31.1. Every written acceptance of a Tender 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 Tender or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 31.2. The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

**32. TAXES AND DUTIES**

- 32.1. A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2. A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3. No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a Tender SARS must have certified that the tax matters of the preferred bidder are in order.
- 32.4. No contract shall be concluded with any bidder whose municipal rates and taxes and municipal services charges are in arrears.



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### 33. TRANSFER OF CONTRACTS

- 33.1. The contractor shall not abandon, transfer, cede assign or sublet a contract or part thereof without the written permission of the purchases.

### 34. AMENDMENT OF CONTRACTS

- 34.1. No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing, shall also be in writing.

### 35. PROHIBITION OF RESTRICTED PRACTICES

- 35.1. 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.
- 35.2. 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 section 59 of the Competition Act No. 89 of 1998.
- 35.3. 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.

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