



**REQUEST FOR QUOTATION:**

**RFQ 22082**

**APPOINTMENT OF A PANEL OF PROPERTY VALUERS FOR ITHALA SOC LIMITED HEAD OFFICE FOR A PERIOD OF THREE (3) YEARS**

**CLOSING DATE AND TIME: TUESDAY, 12 SEPTEMBER 2023 @13H00**

Quotations to be submitted via email: [Quotes\\_LTD@ithala.co.za](mailto:Quotes_LTD@ithala.co.za)

**Procurement Enquiries**

Name : Nokuthokoza Mbhele  
Telephone : 031 366 2502  
Email : [quotes\\_ltd@ithala.co.za](mailto:quotes_ltd@ithala.co.za)

**Name of service provider:** .....

Bidders are requested to indicate the region that they will be submitting a bid for, bidder may bid only for one region, **bidders will be awarded for only one region.**

| <b>ITHALA REGIONS</b> | <b>TICK WHERE APPLICABLE</b> |
|-----------------------|------------------------------|
| Northern Region       |                              |
| Midlands Region       |                              |
| Coastal Region        |                              |

## REQUEST FOR QUOTATIONS

### RFQ 22082: APPOINTMENT OF A PANEL OF PROPERTY VALUERS FOR ITHALA SOC LIMITED HEAD OFFICE FOR A PERIOD OF THREE (3) YEARS.

Competent service providers are hereby invited to furnish written quotations for performing the above-mentioned service / supplying the above-mentioned goods.

The following conditions will apply:

Price(s) quoted must be valid for at least **sixty (60)** days from date of your offer.

Price(s) quoted must be firm.

A firm delivery period must be indicated.

This RFQ will have a three stage evaluation process, and they are as follows:

#### STAGE 1- ADMINISTRATION OF COMPLIANCE

##### a) Mandatory

- The bidder must have registered as a vendor on the National Treasury Central Supply Database (CSD), which can be found at <https://secure.csd.gov.za/> in compliance with National Treasury compliance paragraph 4.2 with instruction note 4a of 2016/2017
- The bidder must be in good standing with SARS and such information will be verified through Central Supply Database (CSD) or using SARS e-filing pin in National Treasury compliance with instruction note 9 of 2017/2018 prior to the award of the bid.
- Or any of its directors/shareholders is not listed on the Register of Tender Defaulters in terms of the Prevention and Combating of Corrupt Activities Act of 2004 as a person prohibited from doing business with the public sector;
- Integrity declaration – completed and signed
- The proposing entities are bona fide entities, registered in accordance with the laws of SA; and sole proprietary must be in compliance.
- Valid Registration Certificate: Professional Associated Valuer / Professional Valuer. **Proof of registration with South African Council for the Property Valuers Profession as prescribed by the Act 2000 (Act No. 47 of 2000)**
- A valid Indemnity insurance fund for a minimum of 5 million Rand

##### b) Non-Mandatory

Administrative Compliance such as but not limited to:

- All proposals are complete (i.e., all required documentation are attached, all questions are answered);
- B-BBEE Certificate or Sworn Affidavit
- Company profile

#### STAGE 2 – FUNCTIONALITY CRITERIA

- Responsive bids will be evaluated according to the criteria, weightings and threshold scores as indicated on section B.
- Failure to obtain the minimum of 75 on functionality will result in disqualification from further evaluation.

#### STAGE 3 – PRICE AND SPECIFIC GOALS

- Bidders who meet all the requirements for stages one and two will be evaluated through the price (have accepted the Ithala tariffs) and specific goals evaluation.
- This quotation will be evaluated in terms of the 80/20 preference point system as prescribed in the Preferential Procurement Policy Framework Act (No 5 of 2000) and its Preferential Regulations 2022. For the purpose of this tender a maximum point of 80 will be allocated for price and one of the following specific goals will be acceptable for the claiming of points, i.e. Black women ownership, Black youth ownership or disability ownership. A maximum of 20 points will be allocated for either one of the specific goals to be claimed.

|  |    |
|--|----|
| More than 51% owned by Blacks as per the category on Table 1                               | 10 |
| Less than 51% owned by Blacks as per the category on Table 1                               | 5  |
| Zero ownership of the category indicated on Table 1  | 0  |
| Locality of the Head Office within one of the three (3) regions (Provide Proof of address) | 10 |

The onus is on the service provider to provide documentary proof (municipality bill, lease agreement, municipal councilor's letter) or of the claims in terms of the specific goals, failure to submit proof will result in non-allocation of points, thus regarded as not claiming.

No awards will be made to person(s)

- Who is not registered on the Central Supplier Database;
- Who is in the service of the state;
- If that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; and/or

The proposals may be submitted in sealed envelopes delivered at Ithala SOC Limited, **Ithala reception, 28 Somtseu Road, North Towers, Kingsmead Office Park, Durban, 4000** and should be deposited in the box located at the reception. Or via Email on [Quotes\\_Ltd@ithala.co.za](mailto:Quotes_Ltd@ithala.co.za), the **RFQ number and tender description** MUST be clearly indicated on the subject line of the email. **It is the responsibility of each bidder when submitting by email to submit early and files can be submitted as parts in order to cater for the capacity of the email (9MB). A “we transfer” link is acceptable or any other form of electronic submission, provided the information email is sent before the closing time.**

All quotations must be submitted on or before **13:00 on Tuesday, 12 September 2023**. No quotations will be accepted after this date and time.

Ithala SOC reserves the right to withdraw any invitation to quote and/or to re-advertise or to reject any quotation or to accept a part of it. Ithala SOC does not bind itself to accepting the lowest quote or award a contract to the tenderer scoring the highest number of points.

Yours faithfully

**SUPPLY CHAIN MANAGEMENT**

**A. INVITATION TO BID**

| SUPPLIER INFORMATION  |  |  |  |  |
|---|--|--|--|--|
| NAME OF BIDDER  |  |  |  |  |
| POSTAL ADDRESS  |  |  |  |  |
| STREET ADDRESS  |  |  |  |  |
| TELEPHONE NUMBER  | CODE   |  | NUMBER   |  |
| CELLPHONE NUMBER  |  |  |  |  |
| FACSIMILE NUMBER  | CODE   |  | NUMBER   |  |
| E-MAIL ADDRESS  |  |  |  |  |
| VAT REGISTRATION NUMBER   |  |  |  |  |
| SUPPLIER COMPLIANCE STATUS  | TAX COMPLIANCE SYSTEM PIN:   |  | OR   | CENTRAL SUPPLIER DATABASE No: <b>MAAA</b>  |
| B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE  | TICK APPLICABLE BOX]<br><br><input type="checkbox"/> Yes <input type="checkbox"/> No |  | B-BBEE STATUS LEVEL SWORN AFFIDAVIT                                      | [TICK APPLICABLE BOX]<br><br><input type="checkbox"/> Yes <input type="checkbox"/> No                |
| <b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b>   |  |  |  |  |
| ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?   | <input type="checkbox"/> Yes <input type="checkbox"/> No<br>[IF YES ENCLOSE PROOF]   |  | ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED? | <input type="checkbox"/> Yes <input type="checkbox"/> No<br>[IF YES, ANSWER THE QUESTIONNAIRE BELOW] |
| QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS  |  |  |  |  |
| IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?   |  |  | <input type="checkbox"/> YES <input type="checkbox"/> NO                 |  |
| DOES THE ENTITY HAVE A BRANCH IN THE RSA?   |  |  | <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"/> YES <input type="checkbox"/> NO                 |  |
| IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?   |  |  | <input type="checkbox"/> YES <input type="checkbox"/> NO                 |  |
| <p><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></p> |  |  |  |  |

## **B. TERMS OF REFERENCE**

### **1. PURPOSE**

The purpose of the tender is to invite bidders to form a panel of Property valuer's for Ithala SOC limited "Ithala". The property valuers will be responsible for the valuation of residential properties, townships, rural settlements and small holding farms in three regions within KwaZulu Natal where Ithala operates.

### **2. BACKGROUND**

The valuations department at Ithala has identified a gap in the area of property valuation and requires a panel of property valuers to service the organisation. The panel of property valuers will provide additional source of service to the operations division in improving the turnaround time for home loan application, credit-granting process, and annual revaluation as required by South African Reserve Bank, valuation for the purpose of litigation, Insurance and property in possession of Ithala.

### **3. OBJECTIVE**

The objective of the panel is to provide a professional mortgage valuation service to all Ithala business including but not limited to insurance, credit collection, administration and fulfilment. This is done by inspecting, measuring and valuing all types of fixed properties, including specialized properties, which have been offered as security for mortgage finance, to establish a realistic open market value. This includes but not limited to the valuations of all single residential properties, sectional title units, cluster housing units, small holdings, specialized properties, servitude, expropriation, subdivision, consolidation and new development assessment be determined of the immovable property and improvements.

### **4. SCOPE OF WORK**

The scope of work will include the valuation of land, freehold properties, sectional title, cluster, new development assessment, small holding farms, subdivision, consolidation, servitudes, expropriation, and specialised properties. A knowledge of property related legislation laws, town planning procedures and byelaws, municipal byelaws and the procedures of the surveyors general's, SACVP regulations and the Deed Office is a requirement.

A knowledge of technical aspects regarding the construction of dwellings as per the National Building Regulations amended from time to time is a preferable requirement. The key expectation is to assess, using appropriate methodology and the value of the property to the Ithala in an open market condition as prescribed by the international valuation standards, not limited to municipal value, force sale value and replacement cost value. The professionally derived market value estimate is an objective "highest and best use" valuation of identified ownership and land rights to a specific property as at a given date.

To assess the risk element associated with every property and always ensure that Ithala and customer's interest are protected at all times by so doing assessing the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing, wherein the parties have each acted knowledgeably, prudently and without compulsion. They should act independently and not be influenced by any person.

It must be noted that 95% of work allocation is within KwaZulu-Natal province (Midlands, Coastal and Northern region) and 5% is distributed amongst Eastern Cape and Gauteng province. It would be an added advantage if bidders have presence in the above regions. As such to derive value and maintain costs bidders are expected to bid within the region where their head office is located. The three regions are Midlands, Northern and Coastal.

The bidder will be awarded one specific region where they have proven their head office presence. No bidder will be awarded in more than one region. The bidder must indicate which region they are bidding for on the cover page by ticking the region. Bidders must also note that being accepted into this panel will mean bidders must be willing to conduct valuations mainly in the townships and rural settlements. Failure to conduct valuations within the townships and rural settlements will result in the bidder being removed from this panel.

To cater for the 5% of work to be conducted within the Gauteng and Eastern Cape provinces, the bidder must list the property valuers (Individual/companies) that they have relations with in the above two provinces, whom they will utilize to conduct valuations on their behalf.

## 5. ASSIGNMENT PERIOD

The appointed service providers will be required to start after signing the contract and provide the services for a period of three (3) years subject to annual review of services providers' performance.

## 6. ITHALA STRUCTURE AND ARCHITECTURE

Branch Network

The following table provides an overview of ITHALA's branch network per region:

| Midlands               | Coastal                   | Northern Region           |
|------------------------|---------------------------|---------------------------|
| Nquthu                 | KwaMashu                  | Eshowe                    |
| Newcastle              | Umngeni                   | Ulundi                    |
| Longmarket Street, PMB | Tongaat                   | Richards Bay              |
| Church Street, PMB     | Stanger                   | Maxwell Street, Empangeni |
| Ladysmith              | Mandini                   | Nongoma                   |
| Estcourt               | Anton Lembede street, Dbn | Manguzi                   |
| Tugela Ferry           | Port Shepstone            | Ingwavuma                 |
| Greytown               | Izingolweni               | Ndumo                     |
| Ixopo                  | Harding                   | Mbazwana                  |
| Vryheid                | Umlazi                    | Jozini                    |
| Nkandla                | Umzinto                   | Mkuze                     |
| Bulwer                 | Mega City                 | Mtubatuba                 |
|                        | Pinewalk                  | Pongola                   |

**\*These are the Ithala branches, service providers will also be expected to do valuations in the neighbouring/surrounding towns.**

## **7. FUNCTIONALITY CRITERIA**

### **7.1 METHODOLOGY AND APPROACH**

The approach and methodology should detail the bidder/s understanding of the scope of work and outline the proposed approach/methodology. It should explain why the approach and methodology is appropriate to achieve the scope of work as well as the objectives of Terms of reference section should also set out variables and risks associated with the approach/methodology and any other matters that might affect the achievement of the assignment.

### **7.2 TEAM LEADER / INDIVIDUAL MEMBER**

Proposed team leader – the qualifications, skills and experience of the proposed of key person. The key person must have National diploma/ advance diploma/degree in property studies/real estate (property valuations) with extensive knowledge and experience in property valuation.

### **7.3 REFERENCE LETTERS**

Bidder must provide three (3) reference Letters on similar work provided. They must be in company letterheads, have a person's name and number that Ithala SOC Limited can contact to confirm the service the bidder provided. The reference letters must not be older than five (5) years.

### C. FUNCTIONALITY CRITERIA

Stage 2 of the evaluation process, the following criteria (refer to page 24) and the associated weightings will be applicable:

| PROPERTY VALUATION<br>FUNCTIONALITY<br>TECHNICAL CRITERIA  | DESCRIPTION   | MIN<br>SCORE | MAX<br>SCORE |
|--|---|--------------|--------------|
| The Team leader or key individual member must have qualification in National Diploma/Degree/ advance diploma in Property Studies/Property valuations to obtain points for relevant qualification | National diploma/ degree in property studies/real estate (property valuations)  | 10           | 10           |
| Team leader or key individual member must Include a compressive CV with indicates their relevant experience  | Less than 5 years in property and building progress inspection  | 0            | 30           |
|  | 5 – 7 Years property valuations and building progress inspection  | 10           |              |
|  | More than 7 -10 years property valuations and building progress inspection  | 20           |              |
|  | More than10 years property valuations and building progress inspection  | 30           |              |
| Reference's letters<br>NB: The minimum of one (01) positive reference letters must be provide on similar nature of projects.   | Zero (0) reference letter provided  | 0            | 25           |
|  | One (1) positive reference letter provided  | 10           |              |
|  | Two (2) positive reference letters provided   | 15           |              |
|  | More than three (3) positive reference letters provided   | 25           |              |
| Approach and Methodology   | <p>Acceptable valuation methodology as prescribed by the International Valuation Standards are.</p> <ul style="list-style-type: none"> <li>• Market Comparable Method/ Direct Comparable Method,</li> <li>• Income / Profit Approach,</li> <li>• Depreciated Replacement Cost Method,</li> <li>• Cost Approach,</li> <li>• Residual Method.</li> </ul> <p>Preferred Methodologies are.</p> <ul style="list-style-type: none"> <li>• Market Comparable Method/ Direct Comparable Method,</li> <li>• Depreciated Replacement Cost Method</li> </ul> <p>Points allocation:</p> <ul style="list-style-type: none"> <li>• Excellent - 35,</li> <li>• Good – 25</li> <li>• Average – 15</li> <li>• Bad - 0</li> </ul> | 35           | 35           |
| <b>TOTAL</b>   | <b>TOTAL</b>  |              | <b>100</b>   |

**Bidders are required to score a minimum of 75 points in order to move to stages three (3)**



**D. ITHALA PROPOSED FEES/RATES**

|   |  |
|---|--|
| NAME OF BIDDER:   |  |
| OFFER TO BE VALID FOR 60 DAYS FROM THE CLOSING DATE OF BID. |  |

**NB: The following rates/ tariff are applicable to all the members of the panel.**

| ITEM NO | DESCRIPTION  | AMOUNT           |
|---------|--|------------------|
| 1. a    | Valuation of Residential property, Small holdings and vacant land up to R2 million         | R900             |
| 1. b    | Valuation of Residential property, Small holdings and vacant land higher than R2 million   | R1100            |
| 2.      | Desktop valuation fee  | R500             |
| 3.      | Residential new development assessment   | R3000            |
| 4.      | Property inspection for residential building loans   | R500             |
| 5.      | Affidavit fee  | R350             |
| 6.      | Travelling cost beyond 60km radius should be reviewed yearly based at SARS travel tariffs. | R4.00 per km     |
| 7.      | Toll Gate fees are charged at toll fees at the time with proof                             | Toll Gate tariff |

**Acceptance of the above Tariff**

**Tenderers signature**.....

**Capacity** .....

**NOTE: The tariff is applicable for the duration of the SLA and mandate.**

**E. INTEGRITY DECLARATION**

**1. PURPOSE OF THE FORM**

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

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

**2. TENDERER'S DECLARATION**

2.1 Is the tenderer, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest<sup>1</sup> in the enterprise, employed by the state?

|     |    |
|-----|----|
| YES | NO |
|-----|----|

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

| Full Name | Identity Number | Name of State institution |
|-----------|-----------------|---------------------------|
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |

2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by Ithala SOC (Ltd)?

|     |    |
|-----|----|
| YES | NO |
|-----|----|

2.2.1 If so, furnish particulars:

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2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract?

|     |    |
|-----|----|
| YES | NO |
|-----|----|

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

2.3.1 If so, furnish particulars:

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### 3 DECLARATION

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

- 3.1 I have read and I understand the contents of this declaration;
- 3.2 I understand that the accompanying quotation will be disqualified if this declaration is found not to be true and complete in every respect;
- 3.3 The tenderer has arrived at the accompanying quotation independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium<sup>2</sup> will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying quotation have not been, and will not be, disclosed by the tenderer, directly or indirectly, to any competitor, prior to the date and time of the official quotation closing or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the tenderer with any official of Ithala SOC (Ltd) in relation to this procurement process prior to and during the quotation process except to provide clarification on the quotation submitted where so required by the Ithala SOC (Ltd); and the tenderer was not involved in the drafting of the specifications or terms of reference for this quotation.
- 3.5. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.
- 3.6 The tenderer or any of its directors is / are not listed on the National Treasury's Register of Tender Defaulters or the Database of Restricted Suppliers, have not been convicted by a court of law for fraud and corruption during the past five years, have not had any contract between the bidder and any organ of state being terminated during the past five years on account of failure to perform on or comply with the contract

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

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT ITHALA SOC (LTD) MAY REJECT THIS QUOTATION OR ACT AGAINST ME IN TERMS OF ITS SCM POLICY SHOULD THIS DECLARATION PROVE TO BE FALSE.

\_\_\_\_\_  
**Signature**

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

\_\_\_\_\_  
**Position**

\_\_\_\_\_  
**Name of Bidder**

**F. PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022**  
**SBD 6.1**

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

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

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**1. GENERAL CONDITIONS**

1.1 The following preference point systems are applicable to invitations to tender:

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

**1.2 To be completed by the organ of state**

a) The applicable preference point system for this tender is the **80/20** preference point system.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

- (a) Price; and
- (b) Specific Goals.

**1.4 To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

|  | <b>POINTS</b> |
|--|---------------|
| <b>PRICE</b>                                     | <b>80</b>     |
| <b>SPECIFIC GOALS</b>                            | <b>20</b>     |
| <b>Total points for Price and SPECIFIC GOALS</b> | <b>100</b>    |

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

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

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## 2. DEFINITIONS

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

## 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1. POINTS AWARDED FOR PRICE

#### 3.1.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

##### 80/20

$$P_s = 80 \left( 1 - \frac{P_t - P_{min}}{P_{min}} \right) \quad \text{Type equation here.}$$

Where

$P_s$  = Points scored for price of tender under consideration

$P_t$  = Price of tender under consideration

$P_{min}$  = Price of lowest acceptable tender

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

#### 3.2.1. POINTS AWARDED FOR PRICE

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

##### 80/20

$$P_s = 80 \left( 1 + \frac{P_t - P_{max}}{P_{max}} \right) \quad \text{Type equation here.}$$

Where

$P_s$  = Points scored for price of tender under consideration

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- Pt = Price of tender under consideration  
Pmax = Price of highest acceptable tender

#### 4. POINTS AWARDED FOR SPECIFIC GOALS

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

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

***(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.***

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

| The specific goals allocated points in terms of this tender                   | Number of points allocated (80/20 system)<br>(To be completed by the organ of state) | Number of points claimed (80/20 system)<br>(To be completed by the tenderer) |
|---|--|--|
| More than 51% owned by Blacks as per the category on Table 1                  | 10   |  |
| Less than 51% owned by Blacks as per the category on Table 1                  | 5  |  |
| Zero ownership of the category indicated on Table 1                           | 0  |  |
| Locality of the Head Office within KZN province<br>(Provide Proof of address) | 10   |  |

**DECLARATION WITH REGARD TO COMPANY/FIRM**

4.3. Name of company/firm.....

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

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

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

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



## **G. TERMS AND CONDITIONS FOR PURCHASE AND SALE OF GOODS ONCE OFF TRANSACTION**

(These Terms are to accompany the ToR/ RFP/RFQ)

### **1. APPLICATION**

These Terms and Conditions of Sale ("the Terms") shall apply to the purchase of goods and ancillary services (collectively referred to as the "Goods") by the Service Provider ("Service Provider") and the Institution ("Institution"), each of which is identified in the accompanying quotation or proposal. These Terms, Product Specification, the Request for Proposal/Quotation, Service Provider's bid or quotation proposal, the Purchase Order as well as any other written Special Conditions of Contract signed by the Parties shall comprises the entire agreement between the parties (collectively, the "Agreement").

The Service Provider accepts these Terms by signing and returning these Terms to the Institution together with its quotation or proposal.

### **2. RELATIONSHIP OF PARTIES**

Nothing contained in these Terms shall be construed as establishing or implying any partnership or joint venture between the parties and nothing in these Terms shall be deemed to construe either of the parties as the agent of the other.

### **3. PRODUCT DESCRIPTION**

The product description shall be as provided for in the Specifications or the Service Provider's proposal as accepted by the Institution.

### **4. DELIVERY**

Delivery of the Goods shall take place and date as agreed to by the Parties. The order and delivery of such Goods as well as any further conditions of delivery shall be reduced to writing and shall form part of this Agreement. The Institution shall make all arrangements necessary to take delivery of the Goods whenever they are tendered for delivery. Any damages, shortages, over deliveries and duplicated orders shall be reported to the Service Provider

### **5. INSPECTION AND REJECTION OF GOODS**

"Nonconforming Goods" means only the following: (i) the items delivered are different from those identified and specified in Institution's purchase order; or (ii) the labels or packaging of the items incorrectly identifies them. The Institution shall refuse to accept delivery where it is immediately clear that the Goods delivered are Nonconforming Goods. Where it is not immediately clear that the Goods delivered are Nonconforming Goods, the Institution shall have 7 (seven) days following receipt of the said Goods within which to inspect them (the "Inspection Period"). The Goods will be deemed accepted at the end of the Inspection Period unless the Institution notifies Service Provider in writing of any Nonconforming Goods. The Service Provider shall replace the Nonconforming Goods within 14 (fourteen) days of receipt of notice or credit or refund the purchase price for the Nonconforming Goods, together with any reasonable expense that may have been incurred by the Institution. The Service Provider shall collect the Goods from the possession of the Institution within 14 (fourteen) days from the date of notification of the Nonconforming Goods. At Service Provider's request, Institution will dispose of the Nonconforming Goods or return the Nonconforming Goods to Service Provider at Service Provider's expense. The Service Provider's failure to comply with the provisions of this shall result in breach of this contract in terms of clause 14. Notwithstanding the foregoing, Service Provider will have no obligation under this section or otherwise with respect to any infringement claim based upon any: (i) misuse or modification of the Goods by Institution or its employees or agents, (ii) use of the Goods in combination with other materials, goods or services for which the Goods were not intended to be used, (iii) failure of Institution to implement any update provided by Service Provider that would have prevented the claim, (iv) Goods that Service Provider made to Institution's specifications or designs.

### **6. RISK**

All risks in the Goods shall pass to the Institution at delivery upon receipt and signing off of the Goods within reasonable time of signed receipt. The Service Provider shall collect all over deliveries and replace all damaged Goods as well as outstanding Goods or refund the Institution.

### **7. LIMITED WARRANTY**

The Service Provider warrants to Institution that the Goods will be free from defects in material and workmanship for a period of \_\_\_\_\_ following the date of delivery to the Delivery Location (the "Warranty Period") or the period of the manufacturers' warranty, whichever is longer. If prior to the expiration of the Warranty Period, the Institution informs Service Provider in writing of any breach of this limited warranty, Service Provider may

repair or replace the Goods that gave rise to the breach or refund the full amounts that Institution paid for the Goods. Service Provider does not warrant the Goods, or any repaired or replacement parts, against normal wear and tear or corrosion. The Institution shall provide the Service Provider with a reasonable opportunity to examine the Goods and the sales records and the Service Provider shall, in the absence of any unauthorized modification or repair of the Goods, including without limitation the removal or alternation of any serial numbers or warranty date decals replace, refund of repair the Goods. The Service Provider shall defend, indemnify, and hold harmless the Institution and its subsidiaries, affiliates, successors, and assigns and their respective directors, officers, shareholders, and employees from and against any Claims arising out of or occurring in connection with the negligence or willful misconduct of Service Provider or its employees or agents.

#### **8. INFRINGEMENT**

The Service Provider shall defend, at its own expense, any action against the Institution brought by a third party to the extent that the action is based upon a claim that the Goods infringe on any patents or copyrights, or misappropriate any trade secrets, of a third party. The Service Provider shall pay those costs and damages finally awarded against the Institution on any actions that are specifically applicable to the claim or those costs and damages agreed to in a monetary settlement of the actions. The foregoing obligations are conditioned on Institution (i) notifying Service Provider promptly in writing of the action, (ii) making no admission of liability and giving Service Provider sole control of the defence thereof and any related claim, Service Provider shall, at its option and expense, either (i) procure for Institution the right to continue using the Goods, (ii) replace or modify the Goods so that they become noninfringing, or (iii) accept return of the Goods and refund Institution the amounts actually paid by Institution to Service Provider for the Goods.

#### **9. PRICE AND PAYMENT**

The price payable to the Service Provider for the Goods shall be as described in the Purchase Order and shall be inclusive of all applicable taxes and cost. The price payable as referred to herein shall not be adjusted for any reason unless as agreed to in writing between the parties. The Institution shall pay all proper invoices received from the Service Provider and approved by both Parties, within 30 (thirty) calendar days of receipt and approval of invoices thereof. The Service Provider may charge interest on overdue invoices from the date when payment becomes due at the Prime Rate compounded monthly from time to time, as used by the South African Reserve Bank.

#### **10. FORCE MAJEURE**

The Parties shall not be liable for any delay or failure to perform any of its obligations if the delay or failure results from events or circumstances outside its reasonable control, including but not limited to acts of God, strikes, lock outs, accidents, war, fire, breakdown of plant or machinery or shortage or unavailability of raw materials from a natural source of supply, and the Parties shall be entitled to a reasonable extension of their obligations. If the delay on the part of the Service Provider persists for a period of more than 60 (sixty) days, the Institution has the discretion to either (i) procure the Goods not readily available from the Service Provider from a 3rd party without terminating this Agreement and being liable to the Service Provider for the portion of the Goods as procured from the 3rd party or (ii) terminate this Agreement.

#### **11. TERMINATION OF AGREEMENT**

This Agreement will terminate under the following circumstances: (i) in terms of the provisions of clause 14 or (ii) after delivery of the Goods provided that the Goods are not returned to the Service Provider in terms of the provisions of these Terms. In the event that the delivery of the Goods will be more than once, the Agreement shall terminate on the settlement negotiations, and (iii) cooperating and, at Service Provider's request and expense, assisting in the defence. If the Goods become, or in Service Provider's opinion are likely to become, the subject of an infringement Agreement shall only terminate after delivery of the correct Goods or replaced Goods on the date agreed to with the Institution. Should the Service Provider not deliver the correct Goods within the time agreed to by the Parties, the Service Provider shall be deemed to be in breach of this Agreement in terms of the provisions of clause 14. The Client will settle all undisputed outstanding invoices of the Service Provider within 30 (thirty) working days of the date of termination of Agreement. pursuant to this Agreement, to either enforce specific performance or terminate the Agreement (with a 14 (fourteen) day's written notice of termination) and/or claim damages.

#### **12. SUB-CONTRACTING**

The Service Provider shall not subcontract its obligations in terms of this Agreement to any 3rd party without the prior written consent of the Institution.

#### **13. CANCELLATION OF ORDER**

Cancellation or modifications of all or part of any order are subject to Service Provider's cancellation policy or as agreed to by the Parties in writing. The Institution shall be liable for the Service Provider's direct damages incurred as a result of the cancellation or modification of an order that does not comply with the Service Provider's cancellation policy which shall be provided to the Institution in advance together with the Service Provider's bid proposal or quotation.

**14. BREACH**

Either Party shall be in breach of this Agreement if it fails to comply with any of its obligations in terms of this Agreement and having been given 14 (fourteen) calendar day's written notice to remedy such non-compliance. The Service Provider shall be in breach of this Agreement if it-; (a) fails to comply with the prescribed licensing requirements, and/or if it fails to comply with any date of the last delivery, provided the Goods are not returned to the Service Provider in terms of the provisions of this Agreement. In the event that the Goods are returned, the compromise or make such assignment with, its creditors; or (d) without the prior written consent to the Institution, undergoes a change in shareholding or members interest so that a new person owns the majority of its voting share capital or members interest; or Either Party shall, in any instance of breach, be entitled, in addition and without prejudice to any other right it may have in law.

**15. ENTIRE AGREEMENT**

These Terms together with its annexures (as contemplated in clause 1) constitutes the whole agreement between the Parties and no term or condition relating to the subject matter of this Agreement not incorporated in this Agreement shall be binding on any of the Parties. This Agreement supersedes all and any agreements between the Parties on the subject matter.

**16. CESSION AND ASSIGNMENT**

Neither Party shall cede in whole or in part, any of its obligations under the Agreement, except with the other Party's prior written consent. Neither Party shall assign, in whole or in part, any of its obligations under the Agreement.

**17. GOVERNING LAW**

This Agreement will be governed by, and construed in accordance with, the laws of the Republic of South Africa and all disputes, actions and other matters relating thereto will be determined in accordance with such laws.

Signed on \_\_\_\_\_ day of \_\_\_\_\_ 202\_\_\_\_\_

By the Service Provider Representative:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Full Name and Surname

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Full Name and Surname of Witness