INVITATION TO BID

NDOH 16 / 2016-2017

Appointment of a service provider to render external audit services for the National Department of Health (Global Fund unit) and the Global Fund sub-recipients for three financial years.
APPOINTMENT OF A SERVICE PROVIDER TO RENDER EXTERNAL AUDIT SERVICES FOR THREE FINANCIAL YEARS.

REQUIRED BY: NATIONAL DEPARTMENT OF HEALTH

1. Kindly furnish us with a bid for the services shown on the attached forms.

2. The General Contract Conditions (GCC) as well as the attached SBD1, SBD2, SBD3.3, SBD4, SBD6.1, SBD 8 & SBD 9.

3. If you are a sole agent or sole supplier you indicate your market price after discount to your other clients or if that is not possible your percentage net profit before tax in order to decide whether the price quoted is fair and reasonable. This information, which will be treated as strictly as confidential is required only if the total amount involved exceeds R 500 000-00.

4. The attached forms must be completed in detail and returned with your bid. Each bid document must be submitted in a separate, envelope on stipulation the following information: Name and Address of the Bidder, Bid Number and Closing Date of Bid.

5. The bid must be addressed and posted to the Director-General, Department of Health, Private Bag X 828, PRETORIA 0001, to reach the destination not later than the closing date and time or must be deposited in the entrance of the Department of Health’s, Bid box located in C/O Thabo Sehume & Struben streets, Civitas building, Pretoria at the reception of Department of Health.

Signed By:

Mr S MAJAVU
DIRECTOR: SUPPLY CHAIN MANAGEMENT
FOR: DIRECTOR GENERAL
CONDITIONS FOR COMPLETION OF BID DOCUMENTS

If any of the following bid forms are not completed and signed or not handed in with your bid proposal on closing date and time, your proposal will be immediately disqualified.

* SBD1 (Invitation to bid) (Make sure it is signed)
* SBD2 (Tax Clearance Certificate) Certificate must be original and valid.
* SBD 3.1 or SBD 3.2 or SBD 3.3 (Pricing schedule) If not filled please refer to an Annexure or addendum where price is mentioned.
* SBD 4 (Declaration of interest) (Make sure it is signed)
* SBD 6.1 (Preference claim form) Must be signed regardless if points are claimed or not. (Make sure it is signed)
* B-BBEE Status level Verification Certificate (Original or certified copy)
* SBD 8 (Declaration of Bidder’s past supply chain management practices) (Make sure it is signed)

SBD 9 (Bid rigging) Make sure it is signed and completed

* Please note: No tippex is allowed. All changes must be scratched out and a signature next to each change.
* Bid documents must be completed with ink (blue or black) and not typed.

IF NONE OF THE ABOVE MENTIONED CONDITIONS IS MET, YOUR BID WILL BE DISQUALIFIED.
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/PUBLIC ENTITY)


DESCRIPTION: Appointment of a service provider to render external audit services for three financial years.

The successful bidder will be required to fill in and sign a written Contract Form (SBD 7).

BID DOCUMENTS MAY BE POSTED TO: Department of Health, Private Bag X 828, Pretoria , 0001. Att: Mr. L. Makhafola

OR

DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)
Department of National Health, c/o Struben and Thabo Sehume streets, Civitas building, Pretoria

Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration.

The bid box is generally open 24 hours a day, 7 days a week. Underneath you will find a map of where the BID box is situated.

PRETORIA CITY CENTRE

ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS – (NOT TO BE RE-TYPED)

THIS BID IS SUBJECT TO THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT

THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2011, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT
THE FOLLOWING PARTICULARS MUST BE FURNISHED
(FAILURE TO DO SO MAY RESULT IN YOUR BID BEING DISQUALIFIED)

NAME OF BIDDER
POSTAL ADDRESS
STREET ADDRESS
TELEPHONE NUMBER
CELLPHONE NUMBER
FACSIMILE NUMBER
E-MAIL ADDRESS
VAT REGISTRATION NUMBER

HAS AN ORIGINAL AND VALID TAX CLEARANCE CERTIFICATE BEEN SUBMITTED? (SBD 2) YES or NO

HAS A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE BEEN SUBMITTED? (SBD 6.1) YES or NO

IF YES, WHO WAS THE CERTIFICATE ISSUED BY?

AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)
A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS);
OR
A REGISTERED AUDITOR

[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS / SERVICES / WORKS OFFERED? YES or NO

[IF YES ENCLOSE PROOF]

SIGNATURE OF BIDDER
DATE
CAPACITY UNDER WHICH THIS BID IS SIGNED

TOTAL BID PRICE TOTAL NUMBER OF ITEMS OFFERED

ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:

Department: National Health

Contact Person: Mr L Makhafola

Tel: 012 395 8935
Email: Makhali@health.gov.za
ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:

Contact Person: Mr S Masha
Tel: (012) 395-8499
Email: Mashas@health.gov.za
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 will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) 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 will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.

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


6. Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website [www.sars.gov.za](http://www.sars.gov.za).

Jeyrel\Mdk416-SBD2 tax clearance
### Application for a Tax Clearance Certificate

#### Purpose

Select the applicable option ………………………………………………………………………………….. Tenders ☐ Good standing ☐

If “Good standing”, please state the purpose of this application

#### Particulars of applicant

<table>
<thead>
<tr>
<th>Name/Legal name (Initials &amp; Surname or registered name)</th>
<th>Trading name (if applicable)</th>
<th>ID/Passport no</th>
<th>Company/Close Corp. registered no</th>
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<tr>
<th>Income Tax ref no</th>
<th>VAT registration no</th>
<th>Customs code</th>
<th>Telephone no</th>
<th>E-mail address</th>
<th>Physical address</th>
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#### Particulars of representative (Public Officer/Trustee/Partner)

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<tr>
<th>Surname</th>
<th>First names</th>
<th>ID/Passport no</th>
<th>Income Tax ref no</th>
<th>Telephone no</th>
<th>E-mail address</th>
<th>Physical address</th>
<th>Fax no</th>
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<td>CODE NUMBER</td>
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8 of 55
**Particulars of tender** (If applicable)

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<tr>
<th>Tender number</th>
<th>Estimated Tender amount</th>
<th>Expected duration of the tender</th>
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**Particulars of the 3 largest contracts previously awarded**

<table>
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<tr>
<th>Date started</th>
<th>Date finalised</th>
<th>Principal Contact person</th>
<th>Telephone number</th>
<th>Amount</th>
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**Audit**

Are you currently aware of any Audit investigation against you/the company? ..................................................  
If "YES" provide details

**Appointment of representative/agent (Power of Attorney)**

I the undersigned confirm that I require a Tax Clearance Certificate in respect of Tenders or Goodstanding.

I hereby authorise and instruct [Name] to apply to and receive from SARS the applicable Tax Clearance Certificate on my/our behalf.

<table>
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<tr>
<th>Name of representative/agent</th>
<th>Signature of representative/agent</th>
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**Declaration**

I declare that the information furnished in this application as well as any supporting documents is true and correct in every respect.

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<th>Name of applicant/Public Officer</th>
<th>Signature of applicant/Public Officer</th>
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**Notes:**

1. It is a serious offence to make a false declaration.
   (a) fails or neglects to furnish, file or submit any return or document as and when required by or under this Act; or
   (b) without just cause shown by him, refuses or neglects to-
      (i) furnish, produce or make available any information, documents or things;
      (ii) reply to or answer truly and fully, any questions put to him ...
   As and when required in terms of this Act ... shall be guilty of an offence ...
3. **SARS will, under no circumstances, issue a Tax Clearance Certificate unless this form is completed in full.**
4. Your Tax Clearance Certificate will only be issued on presentation of your South African Identity Document or Passport (Foreigners only) as applicable.
# PRICING SCHEDULE

## (Professional Services)

**NAME OF BIDDER:** …………………………………………………………………………………………………………

**BID NO:** NDOH 16/2016-2017

**CLOSING TIME:** 11:00

**CLOSING DATE:** 28 November 2016.

Offer to be valid for 120 days from the closing date of bid.

<table>
<thead>
<tr>
<th>ITEM NO</th>
<th>DESCRIPTION:</th>
<th>BID PRICE IN RSA CURRENCY <strong>(ALL APPLICABLE TAXES INCLUDED)</strong></th>
</tr>
</thead>
</table>

1. The accompanying information must be used for the formulation of proposals.

2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project. R…………………………………………………

3. **PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)**

4. **PERSON AND POSITION**

<table>
<thead>
<tr>
<th>HOUURLY RATE</th>
<th>DAILY RATE</th>
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5. **PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT**

   | R------------ | ------------- | days |
   | R------------ | ------------- | days |
   | R------------ | ------------- | days |
   | R------------ | ------------- | days |

5.1 Travel expenses (specify, for example rate/km and total km, class of air travel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.

<table>
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<tr>
<th>DESCRIPTION OF EXPENSE TO BE INCURRED</th>
<th>RATE</th>
<th>QUANTITY</th>
<th>AMOUNT</th>
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</table>

**TOTAL:** R…………………………………………………..

**“all applicable taxes” includes value-added tax, pay as you earn, income tax, unemployment insurance contributions and skills development levies.**
5.2 Other expenses, for example accommodation (specify, eg. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

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<tr>
<th>DESCRIPTION OF EXPENSE TO BE INCURRED</th>
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<th>AMOUNT</th>
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TOTAL: R………………………………………………….

6. Period required for commencement with project after acceptance of bid

7. Estimated man-days for completion of project

8. Are the rates quoted firm for the full period of contract? *YES/NO

9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.

Any enquiries regarding bidding procedures may be directed to the –

**Department:** National Health

**Contact Person:** Letlhogonolo Makhalofa

**Tel:** 012 395 8935

**Email:** makhlo@health.gov.za
DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state¹, 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-

- the bidder is employed by the state; and/or

- 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, shareholder²): ..............................

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.

¹"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.

²"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.
2.7 Are you or any person connected with the bidder presently employed by the state?  

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?  

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

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

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

2.8.1 If so, furnish particulars:
..................................................................................................................................................
..................................................................................................................................................
..................................................................................................................................................

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid?  

YES / NO
2.9.1 If so, furnish particulars.

………………………………………………………………

……………………………………………………………..

…………………………………………………………..

2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid?

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?

2.11.1 If so, furnish particulars:

……………………………………………………………………………

……………………………………………………………………………

……………………………………………………………………………

3 Full details of directors / trustees / members / shareholders.

<table>
<thead>
<tr>
<th>Full Name</th>
<th>Identity Number</th>
<th>Personal Tax Reference Number</th>
<th>State Employee Number / Personal Number</th>
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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

May 2011
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, 2011.

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 R1 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R1 000 000 (all applicable taxes included).

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

1.3 Preference points for this bid shall be awarded for:

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

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

<table>
<thead>
<tr>
<th>POINTS</th>
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<tbody>
<tr>
<td>1.3.1.1 PRICE</td>
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<tr>
<td>1.3.1.2 B-BBEE STATUS LEVEL OF CONTRIBUTION</td>
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</table>

Total points for Price and B-BBEE must not exceed 100

1.4 Failure on the part of a bidder to fill in and/or to sign this form and submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS) or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or an Accounting Officer as contemplated in the Close Corporation Act (CCA) together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

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

2. DEFINITIONS

2.1 “all applicable taxes” includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
2.2 “B-BBEE” means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;

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

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

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

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

2.7 “consortium or joint venture” means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;

2.8 “contract” means the agreement that results from the acceptance of a bid by an organ of state;

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

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

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

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

2.13 “person” includes a juristic person;

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

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

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

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

2.18 “trustee” means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.
3.1 The bidder obtaining the highest number of total points will be awarded the contract.

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

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

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

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

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

4. POINTS AWARDED FOR PRICE

4.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

\[
Ps = \begin{cases} 
80 \left(1 - \frac{Pt - P_{\text{min}}}{P_{\text{min}}}\right) & \text{for the } 80/20 \text{ system} \\
90 \left(1 - \frac{Pt - P_{\text{min}}}{P_{\text{min}}}\right) & \text{for the } 90/10 \text{ system}
\end{cases}
\]

Where

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

5. Points awarded for B-BBEE Status Level of Contribution

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

<table>
<thead>
<tr>
<th>B-BBEE Status Level of Contributor</th>
<th>Number of points (90/10 system)</th>
<th>Number of points (80/20 system)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>3</td>
<td>8</td>
<td>16</td>
</tr>
<tr>
<td>4</td>
<td>5</td>
<td>12</td>
</tr>
</tbody>
</table>
5.2 Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA’s approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates.

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

5.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.

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

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

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

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

6. BID DECLARATION

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

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

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

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

8 SUB-CONTRACTING
8.1 Will any portion of the contract be sub-contracted? YES / NO (delete which is not applicable)

8.1.1 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? YES / NO (delete which is not applicable)

9 DECLARATION WITH REGARD TO COMPANY/FIRM

9.1 Name of company/firm ..........................................................................................................................

9.2 VAT registration number ......................................................................................................................

9.3 Company registration number ............................................................................................................

9.4 TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One person business/sole propriety
- Close corporation
- Company
- (Pty) Limited

[TICK APPLICABLE BOX]

9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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

9.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

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

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

(i) The information furnished is true and correct;

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

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

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

(a) disqualify the person from the bidding process;
(b) recover costs, losses or damages it has incurred or suffered as a result of that person’s conduct;
(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) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the audi alteram partem (hear the other side) rule has been applied; and
(e) forward the matter for criminal prosecution

WITNESSES:

1. ........................................

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

SIGNATURE(S) OF BIDDER(S)

2. ........................................

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

DATE:.................................
ADDRESS:..............................
........................................
........................................
DECLARATION OF BIDDER’S PAST SUPPLY CHAIN MANAGEMENT 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.

<table>
<thead>
<tr>
<th>Item</th>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>
| 4.1  | Is the bidder or any of its directors listed on the National Treasury’s Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?  
   (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the audi alteram partem rule was applied).  
   The Database of Restricted Suppliers now resides on the National Treasury’s website ([www.treasury.gov.za](http://www.treasury.gov.za)) and can be accessed by clicking on its link at the bottom of the home page. | Yes | No |

 4.1.1 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)?  
   The Register for Tender Defaulters can be accessed on the National Treasury’s website ([www.treasury.gov.za](http://www.treasury.gov.za)) by clicking on its link at the bottom of the home page. | Yes | No |

 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 | No |

 4.3.1 If so, furnish particulars:
<table>
<thead>
<tr>
<th>4.4</th>
<th>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?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.4.1</td>
<td>If so, furnish particulars:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**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                                       Name of Bidder

Js365bW
CERTIFICATE OF INDEPENDENT BID DETERMINATION

1 This Standard Bidding Document (SBD) must form part of all bids¹ invited.

2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a pe se prohibition meaning that it cannot be justified under any grounds.

3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:

   a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution’s supply chain management system and or committed fraud or any other improper conduct in relation to such system.

   b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.

4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.

5 In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.

² Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.
CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

________________________________________
(Bid Number and Description)

in response to the invitation for the bid made by:

________________________________________
(Name of Institution)

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

I certify, on behalf of:_______________________________________________________that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word “competitor” shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:

   (a) has been requested to submit a bid in response to this bid invitation;
   (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
   (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium³ 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.

³ Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.
10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

…………………………………………………   …………………………………
Signature        Date

………………………………………………….   …………………………………
Position         Name of Bidder
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.
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5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
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20. Subcontracts
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27. Settlement of disputes
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31. Notices
32. Taxes and duties
33. National Industrial Participation Programme (NIPP)
34. Prohibition of restrictive practices
General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:

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

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

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

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

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

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

1.7 “Day” means calendar day.

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

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

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

1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the
1.12 “Force majeure” means an event beyond the control of the supplier and not involving the supplier’s fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

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

1.14 “GCC” means the General Conditions of Contract.

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

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

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

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

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

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

1.21 “Purchaser” means the organization purchasing the goods.

1.22 “Republic” means the Republic of South Africa.

1.23 “SCC” means the Special Conditions of Contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier’s failure to complete his obligations under the contract.

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

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

(b) a cashier’s or certified cheque

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

8. Inspections, tests and analyses

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

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

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

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

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

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

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

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

9. Packing

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

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

10. Delivery and documents

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

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

(a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
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

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

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

14. Spare parts

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

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

(b) in the event of termination of production of the spare parts:
   (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
   (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

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

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

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

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

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

16. Payment

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

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

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

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

17. Prices

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

18. Contract amendments

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

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier’s performance

21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.

21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier’s notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier’s time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.

21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the
supplier’s point of supply is not situated at or near the place where the supplies are required, or the supplier’s services are not readily available.

21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without canceling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier’s expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

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

23. Termination for default

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

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

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

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

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

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

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

(i) the name and address of the supplier and / or person restricted by the purchaser;
(ii) the date of commencement of the restriction
(iii) the period of restriction; and
(iv) the reasons for the restriction.

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

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

24. Anti-dumping and countervailing duties and rights

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

25. Force Majeure

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

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

26. Termination for insolvency

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

27. Settlement of Disputes

27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

27.5 Notwithstanding any reference to mediation and/or court proceedings herein,

(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
(b) the purchaser shall pay the supplier any monies due the supplier.

28. Limitation of liability

28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;

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

### 29. Governing language

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

### 30. Applicable law

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

### 31. Notices

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

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

### 32. Taxes and duties

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

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

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

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

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

### 34. Prohibition of Restrictive practices

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

**34.2** If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.
34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.
TERMS OF REFERENCE FOR PRINCIPAL RECIPIENT ANNUAL EXTERNAL AUDITS

1. BACKGROUND

Programmatic context: The TB/HIV programme that is supported by the Global Fund is well aligned with key national strategic plans, namely: South Africa National AIDS Council (SANAC, 2011), National Strategic Plan on HIV, STIs and TB 2012-2016, SANAC (2012), National Strategic Plan for HIV Prevention, Care and Treatment for Sex Workers (2012-2016) and the Draft National Strategic Plan for men who have sex with men. Through a consultative process, the Government of South Africa, CCM members, in-country partners and the Global Fund, adopted a mix of interventions for impact including critical enablers for the programme in support of the “90-90-90” HIV strategy recently endorsed by the Minister of Health.

The objectives of the programme are the following:

a) Addressing social and structural drivers of HIV and TB prevention, care and impact.
b) Preventing new HIV, Sexual Transmitted Infections (STIs) and TB infections.
c) Sustaining health and wellness.
d) Ensuring protection of human rights and improving access to justice.

Planned Activities
The National Department of Health (NDOH) will be implementing the following activities:

a) Antiretroviral Therapy and Treatment monitoring – which includes ARV procurement and distribution; pharmacovigilance, strengthening adherence, and improving linkage and retention in care;
b) TB/HIV – key affected populations – comprehensive TB/HIV and STIs prevention package, as well as screening and treatment for inmates in correctional centres, in peri-mining communities, and informal settlements. Activities include strengthening community case finding (out-reach screening), tracking defaulters and contact tracing;
c) MDR-TB management, which will focus on decentralisation of care, awareness creation and pharmacovigilance in MDR priority districts;
d) Health Systems Strengthening (HSS) – expansion and strengthening of the Chronic Care Medicine Distribution and Delivery (CCMDD) model to enable the provision of a ensures timely, convenient and uninterrupted provision of ARVs to patients who are stable on ARV Treatment ART and MDRTB patients; and

e) Prevention programme for other vulnerable populations through mass media campaign to cover young women and girls, men who have sex with men (MSM), commercial sex workers (CSW), and other key populations.
The National Department of Health (NDOH) was selected as the Principal Recipient (PR) for the implementation of the Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM) Grant. The PR is a signatory to the Global Fund Grant Agreement (grantee) and responsible for oversight and management of Global Fund grants under the Standard Terms and Conditions set out in the Grant Agreement. The PR may under the grant agreement contract other organizations to implement programme activities - these organizations are referred to as Sub-Recipients (SRs) and also fall under the oversight and management of the PR.

As per the Global Fund Standard Terms and Conditions to the Grant Agreement, the Principal Recipient and Sub-recipients (SRs) are required to complete annual audits of the programme revenue and expenditures. These Terms of Reference for Principal and Sub-recipient annual external audits will apply to all grants implemented by NDOH and its SRs.

It is against this background the National Department of Health is seeking to appoint a service provider to undertake the Global Fund Grant audit for three financial years starting from 2016/2017 financial year to 2018/2019.

<table>
<thead>
<tr>
<th>Implementers</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total</th>
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<tr>
<td>National Department of Health of South Africa as Principal Recipient</td>
<td>373 572 865</td>
<td>298 666 392</td>
<td>294 201 894</td>
<td>966 441 150</td>
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<tr>
<td>NDSD - Department of Social Development</td>
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<td>10 206 882</td>
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<td>26 185 444</td>
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<td>NHLS - National Health Laboratory Service</td>
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<td>31 255 857</td>
<td>24 288 820</td>
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<td>Right to Care</td>
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<td>20 546 057</td>
<td>20 437 365</td>
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<td>TB/ HIV care</td>
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<td>61 040 036</td>
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<td>Aurum Institute</td>
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<td>39 202 157</td>
<td>38 904 266</td>
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<td>JPS Africa</td>
<td>72 748 856</td>
<td>73 240 651</td>
<td>75 388 734</td>
<td>221 378 241</td>
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<td>National Religious Association for Social Development (NRASD)</td>
<td>49 262 095</td>
<td>42 916 489</td>
<td>42 911 735</td>
<td>135 090 319</td>
</tr>
<tr>
<td>DCS Department of Correctional Services</td>
<td>3 287 447</td>
<td>6 159 451</td>
<td>6 159 451</td>
<td>15 606 349</td>
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<tr>
<td><strong>Total</strong></td>
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<td><strong>542 411 300</strong></td>
<td><strong>526 246 776</strong></td>
<td><strong>1 713 008 137</strong></td>
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This External Audit is to be conducted for Principal Recipient (PR) under the NFM grant

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Legal Status</th>
<th>Financial Year End</th>
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<tbody>
<tr>
<td>National Department of Health as Principal Recipient</td>
<td>Pretoria</td>
<td>Government</td>
<td>31 March each year</td>
</tr>
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</table>

**Sub-recipients:**

<table>
<thead>
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<th>Name of Sub-recipients</th>
<th>Location</th>
<th>Legal Status</th>
<th>Financial Year End</th>
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<tbody>
<tr>
<td>NDSD - Department of Social Development</td>
<td>Pretoria</td>
<td>Government</td>
<td></td>
</tr>
<tr>
<td>NHLS - National Health Laboratory Service</td>
<td>1Modderfontein Road Sandringham Johannesburg</td>
<td>Public Entity</td>
<td></td>
</tr>
<tr>
<td>Right to Care</td>
<td>5th Floor, Outspan Building,1006 Lenchen North Street, Centurion.</td>
<td>NPO</td>
<td></td>
</tr>
</tbody>
</table>
2. OBJECTIVES OF THE AUDIT

2.1 The objective of the audit of the Grant Programme Financial Statements (GPFS) is to enable the auditor to express an independent professional opinion on:

a) Whether the financial position of the grant programme at the end of the reporting period and of the funds received and expenditures for the reporting period, are presented fairly in all material respects by the PR and SRs in the GPFS and in accordance with the applicable accounting framework;

b) Whether, in all material respects, the grant funds have been used in conformity with the provisions of the Grant Agreement, including the approved budget and workplan and any other written communication including, but not limited to implementation letters;

c) Whether the GPFS agree with the programme accounts (books of account) which provide the basis for preparation of the GPFS and reflect the financial transactions of the programme, as maintained by the programme implementing entities;

d) Whether the GPFS agree or reconcile with other information reported to GF i.e. Progress Updates and Enhanced Financial Reports.

3. PRINCIPAL RECIPIENT AND SUB-RECIPIENT RESPONSIBILITIES

3.1 Contacts

NDOH shall provide a list of important contacts at PR and SR level for the conduct of the audit including their full contact details to the appointed audit firm. This should include at a minimum: PR Director-General and Chief Financial Officer, programme manager, grant finance manager, SR Chief Executives, programme managers and key finance contacts.

3.2 Available documents and facilities
The PR will provide the auditor with access to all books and records pertaining to the grant as requested by the auditor, including a list of all key PR and SR locations, noting the key documents held at each location. An indicative list of the documents which may be requested by the auditor includes:

a) The grant programme financial statements;
b) Grant and sub-grant agreements;
c) Main supporting schedules to the financial statements including: income and expenditure, assets and liabilities, cash records;
d) Interim monthly or quarterly grant activity reports (programmatic as well as financial);
e) General ledger, cash book, other important books and records;
f) Original supporting documentation to all reported expenditures (invoices, full support for all procurement of health products or other procurements requiring tender procedures, payrolls, bank vouchers, journal vouchers etc.);
g) Bank statements/ BAS reports
h) Important correspondence between GF and PR, PR and SRs pertaining to grant implementation matters;
i) Financial procedures manuals, systems descriptions or any other documentation explaining the processes contributing to the production of reliable financial reports and maintaining internal control;
j) Minutes of management meetings;
k) Internal audit reports relevant to GF expenditures or any systems, governance or other issue which impinges on GF grants.

3.3 Preparation of the PR’s Grant Programme Financial Statement (GPFS)

In the currency of the grant agreement (the financial statements may be represented in the local currency but the grant currency equivalents must be shown). Grant expenditures should be reported against the budget as defined in the grant agreement for the period with the actual expenditure allocated to the same budget categories disclosed for the implementing entity.

The financial statements should include the following components:

a) A statement of financial performance
b) A statement of financial position
c) Cash flow statement
d) A statement of changes in net assets
e) Any other footnotes applicable.
f) Supplemental statements on advances and fixed assets, including: (a) a statement or annex showing SR advances and reconciliation of total amount advanced by PR to SRs with SR recorded expenditure and SR cash balances at the end of the reporting period, (b) a listing of all fixed assets purchased with grant funds.

4. **Responsibility for the preparation of Grant Program Financial Statements (GPFS).**

4.1 The responsibility for the preparation of consolidated GPFS and separate GPFSs for each entity covered by the audit lies with the PR.

5. **SCOPE OF WORK**

The audit will be carried out in accordance with International Standards on Auditing, and will include such tests and controls as the auditor considers necessary under the circumstances. In conducting the audit, special attention should be paid to the following:

a) **Compliance with applicable legislation** – Verify that the transactions comply in all material respects with any applicable legislation;

b) **Grant expenditures** - Funds received by the Programme (including goods and services from direct disbursement to third parties) from disbursements, or generated by the Programme’s funds (from interest generated, Revenue, exchange gains, VAT recoveries, recovery of funds from ineligible expenditures), were spent in conformity with the approved budget and workplan existing at the time of the expenditure and in line with provisions of the Grant Agreement, including any applicable grant conditions (as amended by any Implementation Letters), and only for the purposes for which the funds were provided;

c) **System of internal controls** - Assessment of the adequacy and effectiveness of the accounting and overall internal control system to monitor expenditures at all levels of the Programme and other financial transactions including special attention to the adequacy and effectiveness of controls around cash transactions;

d) **Follow up on the status of findings of previous audit reports** – The auditor should follow up on management’s intended actions to address the findings of previous audits, including external audit, relevant internal audits and audits issued by the Office of the Inspector General (OIG) of The Global Fund (TGF);

e) **Designated bank accounts/ BAS reports** - Where Designated Accounts (including those being used under an approved pooled funding program implementation mechanism) have been used by PR and SRs, they have been maintained and operated in accordance with the provisions of the Grant agreement and in accordance with the Global Fund’s rules and procedures;

f) **Safeguarding of assets** - Verify that the PR has put in place mechanisms for the tracking and safeguarding of assets purchased with grant funds and that they are being used for the intended purposes. Verify that Program’s fixed assets register exists, is maintained in accordance with the Grant agreement; that property rights or related beneficiaries’ rights are established in accordance with the Grant’s conditions;

g) **Disbursements to SRs** - Verify that disbursements made by the PR to SRs are in line with the SR sub-grant agreements and the approved work plan and budget. Verify that the PR follows adequate process for validating expenditure reports submitted by the SRs;
h) **Data retention and supporting documentation** - Necessary supporting documents, records, and accounts have been retained in compliance with provisions of the Grant Agreement. Procedures exist for security and management of electronic data (backup systems and procedures, etc.);

i) **Goods and services** - have been procured transparently, competitively and in accordance with the Grant Agreement and relevant procurement Guidelines approved by TGF;

j) **Procurement systems for pharmaceutical and health products** – Verify the evidence that procurement transactions were undertaken in accordance with the grant agreement and the organization's policies and procedures;

6. **STANDARDS**

In accordance with International Standards on Auditing (ISA), the auditors shall pay attention to the following:

6.1 **Fraud and Corruption**: In accordance with ISA 240 (The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements) the auditors shall identify and evaluate risks related to fraud, obtain or provide sufficient evidence of analysis of these risks and assess properly the risks identified or suspected;

6.2 **Laws and Regulations**: In preparing the audit approach and in executing the audit procedures, the auditors shall evaluate the PR’s compliance with the provisions of laws and regulations that might impact significantly the PFSs as required by ISA 250 (Considerations of Laws and Regulations in an Audit of Financial Statements);

6.3 **Governance**: Communicate with the PR's Management responsible for Governance regarding significant audit issues related to governance in accordance with ISA 260: (Communication with those charged with Governance); and

6.4 **Risks**: With a view to reducing audit risks to a relatively low level, the auditors will apply appropriate audit procedures and handle anomalies/risks identified during their evaluation. This is in accordance with ISA 330 (The Auditor's Responses to Assessed Risks).

7. **DELIVERABLES**

An Audit Report that includes:

7.1 **Auditor’s opinion**

In preparing the audit report, the selected audit firm will issue an appropriate audit opinion in accordance with ISA and International Standards of Supreme Audit Institutions (ISSAI).

7.2 **Management Letter**
7.2.1 In addition to the audit report, the auditors will prepare a management letter in which they shall:

a) Set out any instances of non-compliance with the Grant agreement that were noted by the auditors in the course of their work to form an opinion on the GPFS;

b) Provide a schedule of ineligible expenditures identified by the auditors in the course of their work;

c) Comment on instances of non-compliance in the accounting records, procedures, systems and controls that were examined during the course of the audit with particular reference to ineligible expenditures and systematic weaknesses;

d) Provide recommendations to address the observed deficiencies and areas of weakness in systems and controls which may be effected promptly;

e) Communicate matters that have come to their attention during the audit which might have a significant impact on the implementation and sustainability of the grant programme;

f) Report on the implementation status of recommendations contained in previous audit reports;

g) Include responses made by the PR in discussing audit recommendations, along with a timeline for implementing agreed recommendations. In cases where either the PR does not accept an audit finding or the auditor disagrees with the adequacy of the management response, the management report will acknowledge that disagreement. All observations and recommendations will be discussed with PR management before the letter is finalized.

7.2.2 It must be clearly noted on the face of the Management Letter that it is a confidential document and must be treated as such.

7.2.3 The Management Letter should state that the auditor acknowledges and agrees that the Management Letter shall be shared with GF and the Local Fund Agent (LFA) on a confidential basis.

7.2.4 The Management letter should use a system of grading points depending on their level of severity in line with that proposed in the Guidelines for the annual audits of PRs’ and SRs’ financial statements

8. TIMEFRAMES

8.1 The full audit of PR should be completed within three (3) months after the end of financial year;

8.2 The PR should document a corrective action plan relating to the findings of the audit 30 days after receipt of the audit report.

9. GENERAL INFORMATION
The audit reports and accompanying management letters, including the PR’s responses, should be received by the Global Fund within four (4) months after the end of the reporting period under audit.

The selected audit firm will also be granted timely, full and unrestricted access to PR’s and SR’s financial management system, accounting record, asset, property and personnel that may assist in clarifying any matter related to the audit.

To assist the selected audit firm in planning the audit, the PR will make available as a minimum the documents and information stated below. It is highly recommended as part of auditing requirements on understanding the nature of the entity’s operations, that the auditors familiarize themselves with the following:

a) GF’s Guidelines for the annual audits of PRs’ and SRs’ financial statements: Guidelines and Tools - The Global Fund to Fight AIDS, Tuberculosis and Malaria;

b) Grant agreements between the PR and GF and sub-grant agreements concluded with SRs. Any correspondence from GF approving a reprogrammed budget affecting the audited year;

c) Progress Updates (PU/DRs) and Management Letters. Confirmation of amounts disbursed and outstanding at the Global Fund should also be obtained;

d) Enhanced Financial Reports (EFR);

e) Guidelines for Budgeting on GF programmes: Operational Policies, Guidelines and Tools - The Global Fund to Fight AIDS, Tuberculosis and Malaria;

f) PR’s approved Finance, Procurement, SRs’ Management and other relevant Manuals;

g) It is also recommended to obtain an understanding of the concept note under which the grant is being implemented. The Concept note is available at the following link Grant Portfolio - The Global Fund to Fight AIDS, Tuberculosis and Malaria and then navigate to the respective country page.

The auditors are strongly encouraged to contact the LFA prior to preparing the audit plan enabling the LFA to highlight any key weaknesses and areas of concern upfront. During the course of the audit, the Auditors are encouraged to contact the LFA as and when needed to obtain any additional information/clarifications.

**EVALUATION CRITERIA**

The evaluation process will be in two (02) Phases, namely:

**Phase 1:** Only Service Proposals are assessed according to the technical evaluation criteria as indicated on Attachment A. The service provider must achieve a minimum of 70 percent in order to proceed to the next Phase; and

**Phase 2:** This will be evaluated through Pricing and Broad Based Black Economic Empowerment (BBBEE). The 90/10 preference points system will apply and bidders are required to submit a BEE certificate.
ATTACHMENT A
EVALUATION CRITERIA

The bid evaluation committee will assess the extent to which proposals submitted in response to this terms of reference meet the evaluation criteria below.

If service provider does not meet the above requirements will be disqualified automatically.

TECHNICAL EVALUATION CRITERIA

The Preferential Procurement Policy Framework Act, Act Number 5 of 2000 (PPPFA) and amended regulations will apply as guidance in determining which proposal would provide the greatest value to the National Department of Health.

If service provider does not meet the above requirements will be disqualified automatically.

Technical proposals will be evaluated based on the following Evaluation Criteria for Phase 1

The Bidder must achieve a minimum of 70 % to be considered for the next Phase of Evaluation.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Sub-criteria</th>
<th>Points Value</th>
<th>Weight of criterion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Technical Approach: Extent to which the proposal is responsive to and meets the criteria detailed in the scope of work</td>
<td>Excellent-significantly above requirements</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Very Good-above requirements</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Good-meets requirements</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Inadequate-below requirements</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Poor - significantly below requirements</td>
<td>5</td>
</tr>
</tbody>
</table>

<p>| 2        | Expertise and Qualifications of proposed personnel: Demonstration of sufficient capability with the necessary education, training, technical knowledge and experience for their assigned functions. | Partner with a minimum of ten (10) years audit experience in the public sector post articles. Qualified as a Chartered Accountant (CA) | 30 | 30 |
|          |              | Senior Manager with minimum eight (8) years audit experience post articles. Qualified as a Chartered Accountant (CA) | |
|          |              | Manager with minimum eight (6) years audit experience post articles. Qualified as a Chartered Accountant (CA) | |</p>
<table>
<thead>
<tr>
<th>Criteria</th>
<th>Sub-criteria</th>
<th>Points Value</th>
<th>Weight of criterion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Partner with a with 7 - 9 years audit experience in the public sector post articles. Qualified as a Chartered Accountant (CA)</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Senior Manager with 5-6 years audit experience post articles. Qualified as a Chartered Accountant (CA)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Manager with 5-6 years audit experience post articles. Qualified as a Chartered Accountant (CA)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Partner with a with 5-6 years audit experience in the public sector post articles. Qualified as a Chartered Accountant (CA)</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Senior Manager with 3-4 years audit experience post articles. Qualified as a Chartered Accountant (CA)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Manager with 2-3 years audit experience post articles. Qualified as a Chartered Accountant (CA)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Partner with a with 2-4 years audit experience in the public sector post articles. Qualified as a Chartered Accountant (CA)</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Senior Manager with 3 years audit experience post articles. Qualified as a Chartered Accountant (CA)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Manager with 1-2 years audit experience post articles. Qualified as a Chartered Accountant (CA)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Knowledge of Government</td>
<td>Successful completed more than 10 projects</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Criteria</td>
<td>Sub-criteria</td>
<td>Points Value</td>
<td>Weight of criterion</td>
</tr>
<tr>
<td>----------</td>
<td>--------------</td>
<td>--------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>4</td>
<td><strong>Experience and Capabilities:</strong> Ability to demonstrate successfully performed similar work to the terms of reference</td>
<td>Successful completed more than 10 projects</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Successful completed 7-9 comparatives projects</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Successful completed 5-6 comparatives projects</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Successful completed 3-4 comparatives projects</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Successful completed &lt; 3 comparatives projects</td>
<td>5</td>
</tr>
</tbody>
</table>

THE SCORING CRITERIA FOR EVALUATION OF FUNCTIONALITY

<table>
<thead>
<tr>
<th>SCORE</th>
<th>CLASSIFICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>No response (complete non-compliance)</td>
</tr>
<tr>
<td>1</td>
<td>Poor, significantly below requirements</td>
</tr>
<tr>
<td>2</td>
<td>Inadequate, below requirements</td>
</tr>
<tr>
<td>3</td>
<td>Good, meets requirements</td>
</tr>
<tr>
<td>4</td>
<td>Very Good, meets requirements</td>
</tr>
<tr>
<td>5</td>
<td>Excellent, significantly above requirements</td>
</tr>
</tbody>
</table>

Phase 2:

PRICE = 90
B-BBEE = 10
The Director General: *NAME OF DEPARTMENT*

I/we hereby request and authorise you to pay any amounts, which may accrue to me/us to the credit of my/our account with the mentioned bank.

I/we understand that the credit transfers hereby authorised will be processed by computer through a system known as "ACB - Electronic Fund Transfer Service", and I/we understand that not additional advice of payment will be provided by my/our bank, but that the details of each payment will be printed on my/our bank statement or any accompanying voucher. (This does not apply where it is not customary for banks to furnish bank statements).

I/we understand that the Department will supply a payment advice in the normal way, and that it will indicate the date on which the funds will be made available on my/our account.

This authority may be cancelled by me/us by giving thirty days notice by prepaid registered post. Please ensure information is validate as per required bank screens.

I/we understand that bank details provided should be exactly as per the records held by the bank.

I/we understand that the Department will not assume responsibility for any delayed payments, as a result of incorrect information supplied.

<table>
<thead>
<tr>
<th>Company / Personal Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Name</td>
</tr>
<tr>
<td>Trading Name</td>
</tr>
<tr>
<td>Tax Number</td>
</tr>
<tr>
<td>VAT Number</td>
</tr>
<tr>
<td>Title</td>
</tr>
<tr>
<td>Initials</td>
</tr>
<tr>
<td>First Name</td>
</tr>
<tr>
<td>Surname</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment Address</td>
</tr>
<tr>
<td>Postal Code</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Supplier information</td>
</tr>
<tr>
<td>Update Supplier information</td>
</tr>
<tr>
<td>Supplier Type:</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

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

*NATIONAL DEPARTMENT OF HEALTH*
(Please note that this account MUST be in the name of the supplier. No 3rd party payments allowed).

Account Name

Account Number

Branch Name

Branch Number

Account Type

Cheque Account
Savings Account
Transmission Account
Bond Account
Other (Please Specify)

ID Number

Passport Number

Company Registration Number

*CC Registration

*Please include CC/CK where applicable

Practise Number

Bank stamp

It is hereby confirmed that this details have been verified against the following screens

ABSA-CIF screen
FNB-Hogans system on the CIS4
STD Bank-Look-up-screen
Nedbank- Banking Platform under the Client Details Tab

Contact Details

Business

Area Code

Telephone Number

Extension

Home

Area Code

Telephone Number

Extension

Fax

Area Code

Telephone Number

Fax Number

Cell

Cell Code

Cell Number

PLEASE RETURN TO THE RELEVANT REGIONAL OFFICE THAT SUPPLIED THE FORM OR THE FOLLOWING ADDRESS:

Supplier Signature

Regional Office Sender

Print Name

Print Name

Rank

Date (dd/mm/yyyy)

Date (dd/mm/yyyy)

NB: All relevant fields must be completed