



**CITY OF TSHWANE METROPOLITAN MUNICIPALITY**

**TENDER NUMBER:**

GICT 04 2022/23

<b>TENDER DESCRIPTION:</b>	TENDER FOR THE APPOINTMENT OF A PANEL OF SERVICE PROVIDERS TO PROVIDE THE CITY OF TSHWANE WITH MANAGED INFORMATION TECHNOLOGY SECURITY SERVICES FOR 36 MONTHS.
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**NAME OF BIDDER:** .....

**CSD NUMBER:** .....

**VENDOR NUMBER (WHERE APPLICABLE)** .....

Prepared by:  
City of Tshwane Metropolitan Municipality  
Tshwane House  
320 Madiba Street  
Pretoria CBD  
0002

Tel: 012 358 9999

<b>BID CLOSING DATE</b>	<b>15 JULY 2022</b>
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Only bidders registered on the central supplier database (CSD) and with a CSD number will be considered for this tender, as this is a requirement from the National Treasury.



**CITY OF TSHWANE METROPOLITAN MUNICIPALITY**

DEPARTMENT: INFORMATION AND COMMUNICATION TECHNOLOGY

Bids are hereby invited from suppliers for the following bid:

Bid number	Description	Department	Contact person	Compulsory briefing session	Closing date
GICT 04 2022/23	TENDER FOR THE APPOINTMENT OF A PANEL OF SERVICE PROVIDERS TO PROVIDE THE CITY OF TSHWANE WITH MANAGED INFORMATION TECHNOLOGY SECURITY SERVICES FOR 36 MONTHS.	GROUP SHARED SERVICES INFORMATION AND COMMUNICATION TECHNOLOGY	Technical enquiries: Thembi Tshangela 012 358 3715 thembits@tshwane.gov.za	N/A	15 July 2022 at 10:00

**THE DOCUMENT IS DOWNLOADABLE ON THE E-TENDER PORTAL.**

**Each quotation shall be enclosed in a sealed envelope that bears the correct identification details and shall be placed in the tender box located at:**

City of Tshwane Metropolitan Municipality  
Tshwane House  
320 Madiba Street  
Pretoria CBD  
0002

Documents must be deposited in the bid box not later than **10:00 on 15 JULY 2022** when bids will be opened in public.

**Bidders must contact the following officials for any enquiries:**

- Technical enquiries: Thembi Tshangela (012) 358 3715 thembits@tshwane.gov.za
- Supply chain enquiries: Relebogile Malatswane (012) 358 2735 or RelebogileM@tshwane.gov.za

**Bids will remain valid for a period of 90 days after the closing date.**

**Bids received after the closing date and time will not be considered. The City of Tshwane does not bind itself to accept the lowest or any other bid in whole or in part.**

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## VERY IMPORTANT NOTICE ON DISQUALIFICATIONS

A bid that does not comply with the peremptory requirements stated hereunder will be regarded as not being an “acceptable bid”, and such a bid will be rejected. An “acceptable bid” means any bid which, in all respects, complies with the conditions of the bid and the specifications as set out in the bid documents, including the conditions as specified in the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000) and related legislation as published in *Government Gazette 22549*, dated 10 August 2001, in terms of which provision is made for this policy.

1. If any pages have been removed from the bid document and have therefore not been submitted or if a copy of the original bid document has been submitted.
2. If the bid document is completed using a pencil. Only black ink must be used to complete the bid document.
3. The bidder attempts to influence or has in fact influenced the evaluation and/or awarding of the contract.
4. The bid has been submitted after the relevant closing date and time.
5. If any bidder who, during the last five years, has failed to perform satisfactorily on a previous contract with the municipality, municipal entity or any other organ of state after written notice was given to that bidder that performance was unsatisfactory.
6. The accounting officer must ensure that, irrespective of the procurement process followed, no award may be given to a person –
  - (a) who is in the service of the state;
  - (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
  - (c) who is an advisor or consultant contracted to the municipality in respect of a contract that would cause a conflict of interest.
7. Bid offers will be rejected if the bidder or any of his/her directors are listed on the Register of Bid Defaulters in terms of the Prevention and Combating of Corrupt Activities Act, 2004 (Act 12 of 2004) as a person prohibited from doing business with the public sector.
8. Bid offers will be rejected if the bidder has abused the City of Tshwane supply chain management system.
9. Failure to complete and sign the certificate of independent determination or disclosure of wrong information.

Failure to comply with the above will lead to immediate disqualification.

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**Bidder**

**CERTIFICATE OF AUTHORITY FOR SIGNATORY**

Status of concern submitting tender (delete whichever is not applicable):

COMPANY/PARTNERSHIP/ONE-PERSON BUSINESS/CLOSE CORPORATION/JOINT VENTURE

**A. COMPANY**

If the bidder is a company, a certified copy of the resolution of the board of directors that is personally signed by the chairperson of the board, authorising the person who signs this bid to do so and to sign any contract resulting from this bid, and any other documents and correspondence in connection with this bid or contract on behalf of the company, must be submitted with this bid.

An example is shown below:

By resolution of the board of directors on ..... 20.....,  
Mr/Ms ..... has been duly  
authorised to sign all documents in connection with  
Bid Number .....

**SIGNED ON BEHALF OF THE COMPANY:** .....

**IN HIS/HER CAPACITY AS** .....

**DATE:** .....

**SIGNATURE OF SIGNATORY:** .....

**WITNESSES:** 1. ....

2. ....

**B. PARTNERSHIP**

The following particulars in respect of every partner must be furnished and signed by every partner:

<b>Full name of partner</b>	<b>Residential address</b>	<b>Signature</b>
.....	.....	.....
.....	.....	.....
.....	.....	.....

We, the undersigned partners in the business trading as ....., hereby authorise ..... to sign this bid as well as any contract resulting from the bid and any other documents and correspondence in connection with this bid or contract on our behalf.

.....  
**Signature**                      **Signature**                      **Signature**

.....  
**Date**                              **Date**                              **Date**

**C. ONE-PERSON BUSINESS**

I, the undersigned, ....., hereby confirm that I am the sole owner of the business trading as .....

.....  
**Signature**                      **Date**

**D. CLOSE CORPORATION**

In the case of a close corporation submitting a bid, a certified copy of the founding statement of such corporation shall be included with the bid with a resolution by its members, authorising a member or other official of the corporation to sign the documents and correspondence in connection with this bid or contract on behalf of the company.

An example is shown below:

By resolution of the members at the meeting on ..... 20..... at ..... , Mr/Ms ..... , whose signature appears below, has been duly authorised to sign all documents in connection with Bid Number .....

**SIGNED ON BEHALF OF THE CLOSE CORPORATION:** .....

**IN HIS/HER CAPACITY AS:** .....

**DATE:** .....

**SIGNATURE OF SIGNATORY:** .....

**WITNESSES:**     1. ....

                          2. ....

**E. CERTIFICATE OF AUTHORITY FOR JOINT VENTURES**

This returnable schedule is to be completed by joint ventures.

We, the undersigned, are submitting this bid offer in joint venture and hereby authorise Mr/Ms ..... , authorised signatory of the company..... , acting in the capacity of the lead partner, to sign all documents in connection with the bid offer and any contract resulting from it on our behalf.

NAME OF FIRM	ADDRESS	DULY AUTHORISED SIGNATORY
Lead partner		Signature: ..... Name: ..... Designation: .....
		Signature: ..... Name: ..... Designation: .....
		Signature: ..... Name: ..... Designation: .....
		Signature: ..... Name: ..... Designation: .....



CITY OF TSHWANE  
GROUP SHARED SERVICES

INFORMATION AND COMMUNICATION TECHNOLOGY

TENDER FOR THE APPOINTMENT OF A PANEL OF SERVICE PROVIDERS TO PROVIDE  
THE CITY of TSHWANE WITH MANAGED INFORMATION TECHNOLOGY SECURITY  
SERVICES FOR 36 MONTHS.

## 1. INTRODUCTION

The rise of Cyber Security in South Africa has seen significant increase in cyber-attacks and phishing incidents, it is paramount for City of Tshwane Municipality to take a holistic and proactive approach in adopting a robust Cyber Security culture. The attacks have become more pervasive and intentional. Leading to more vulnerabilities as the human element is still the weakest link in the cyber security framework. Most attacks emanate from internal and external sources through the most efficient techniques. The recent cyber-attacks on Government entities as well as Banks provide a case study on the need to proactively safeguard CoT assets and information.

There is a growing range of threats that require proactive security stance. City of Tshwane's ICT environment comprises of services, applications and infrastructure that implicitly provide availability, confidentiality, integrity, and security to the clients, while providing key assurances:

- Identity is not compromised,
- Resources are secure and available,
- Data and communications are private and reliable,
- Roles and accountability are clearly defined,
- Timely response to risks and threats.

The CITY OF TSHWANE (hereinafter referred to as "CoT") is inviting potential service providers to bid for ICT Security Services panel. The following services are required:

- a) Cyber- Security Operations Centre Services
- b) ICT Security Maturity Assessment
- c) Governance, Risk and Compliance
- d) Penetration Testing and Vulnerability Tracking Management
- e) Security Awareness Program solution
- f) Security Audit Tool and Services
- g) Firewall Management Services
- h) Application Security Services
- i) Email Security Gateway Services
- j) Robotic Process Automation (RPA)
- k) Data Protection Regulations and Compliance Assessment
- l) Microsoft Enterprise Mobility and Security

## 2. BACKGROUND

The City of Tshwane Metropolitan Municipality's vision for the next three years is to ensure that ICT Infrastructure and Systems are adequately secure and resilient to cyber threats.

The City is embarking on a journey to accelerate the provision of digital services to its citizens, so the risk and opportunity for cyber-criminal activity increases daily. Ultimately, cyber security threats cannot be eliminated, what can be done though is to reduce the threat to a level that ensures a predictable and continuous cyber space.

The Shared Services Department provides Security Services as part of the City's information security strategy to protect the Municipality against cyber related threats. In the future, the City plans to contribute to the realization of a society in which citizens can live safely, securely, and comfortably. By further taking advantage of digital technologies to evolve solutions, the City aims to become the innovation enhancer on the Internet of Things (IoT) era.

To secure CoT ICT Infrastructure and systems, the department has already invested in cyber security controls, policies, and procedures. This panel is for end-to-end Security Management Services with remediation services which will ultimately replace the existing managed Security Services.

### **3. PURPOSE OF THE TENDER**

The purpose of this Tender is to request bidders to submit their proposals for the required services to enable CoT to establish a list of pre-approved service providers for provision of ICT Security Management services as and when required. The services to be provided must be within the defined service standards, Municipality ethics, processes, and industry best practice.

### **4. CITY OF TSHWANE METROPOLITAN MUNICIPALITY ICT ENVIRONMENT**

The CoT ICT environment consists of the users and stakeholders mentioned in the background and includes the following:

#### 4.1 Endpoint devices that consist of:

- Desktops
- Laptops
- Mobile Cellular phones
- Network devices (routers and switches)

#### 4.2 LAN Connected sites.

#### 4.3 Public URL (DNS entry)

#### 4.4 Windows based Servers.

The servers are distinguished as follows:

- Application servers (including but not limited to SAP, SharePoint, File servers, other application servers and SQL database servers)
- Security servers (including but not limited to firewall, Internet proxies, Intrusion prevention systems, Domain controllers, distribution servers and backup servers.

#### 4.4 There are currently 130 databases that are required to be monitored.

## **5. DURATION OF CONTRACT**

The successful bidders for GICT-04 2022/23 will be appointed for a period of (36) months. The duration includes the Training of technical users, maintenance and support, software, and hardware. The successful Bidder should note that the migration and implementation of the service must be completed and operational within a maximum of 3 months from the award date which forms part of the 36-month agreement.

## **6. APPOINTMENT TERMS**

CoT does not guarantee that successful bidders will receive work during their appointment term. Subject to a competitive process for a Service Request, successful bidders will be utilized on an ad hoc basis, as and when required by CoT.

## **7. SCOPE OF WORK**

The City seeks to appoint Service Providers per Category of the Panel.

Bidders can respond to one or more Categories, there is no limit.

The scope for all Categories listed as follows

### **A) CYBER-SECURITY OPERATIONS CENTRE SERVICES**

The City has a requirement for ICT Security Services to detect, analyze and respond to any cyber security activity detected within the City's ICT environment proactively and reactively.

The SOC must be a fully inclusive service offering to CoT. The SOC must include all services as prescribed, personnel, skills, experience, software licensing, computers, screens, hardware, and network that is required to provide 24x7x365 service. The SOC services will be delivered for a period of 3 years (36 months).

The implementation must take place such that the SOC service is fully operational. Successful bidders are required to provide a continuous service without any service interruptions.

The bidder must provide the City with a comprehensive Service Level Agreement. The bidder is further required to provide details of how each of the services will be delivered and clearly articulate the outcomes of each of the services required.

The design should enable the City to prioritize and manage myriad event logs; build an effective cyber security monitoring process.

**This includes but is not limited to the following:**

- 7.1 Installation, configuration and managing all ICT Security Infrastructure, software, and licenses.**
- 7.2 Managing ICT Security incidents, threats, and events.**
- 7.3 Managing the fulfilment of ICT security service requests.**
- 7.4 Managing ICT security patches.**
- 7.5 Managing ICT security changes in line with ICT change management process.**
- 7.6 Managing ICT security releases and deployments in line with the ICT release management process.**
- 7.7 Engaging and communicating between all technical teams and all stakeholders (including ICT end-users)**
- 7.8 Breach and Attack Simulation**

- 7.9 Network Access control
- 7.10 Asset management
- 7.11 Communications security
- 7.12 Cryptography
- 7.13 Human resources security
- 7.14 Physical and environmental security
- 7.15 Proactive monitoring, analyzing, and reporting on ICT security threats and incidents.
- 7.16 Proactively monitoring, analyzing, and reporting ICT security incidents and events
- 7.17 Proactively monitoring analyzing and reporting ICT security patches.
- 7.18 Performing trend analysis and reporting on deep security monitoring.
- 7.19 Proactively and reactively managing the utilization and allocation of all ICT security related software licenses (ICT Security infrastructure and ICT end-users)
- 7.20 Monitoring and reporting on all ICT security related software licenses (ICT security infrastructure and end users) and informing the City on the utilization of software licenses once a specific threshold is reached. If software licenses are overprovisioned by successful bidder, without having formally notified the City, the successful bidder will be held liable for the cost of the software license overprovisioning
- 7.21 To detect all unauthorized network connections to/from an organization's IT assets.
- 7.22 Searching for insecure protocols. Document and justify the use of an organization's permitted services, protocols, and ports, as well as document security features implemented for insecure protocols.
- 7.23 Provide the City with Identify and Access Management Solution
- 7.24 Provide the City with data and documents encryption solution
- 7.25 Provide the City with Software Management solution (Authorized and Unauthorized)
- 7.26 Provide the City with Anti-Virus Services

A skills matrix and total number of dedicated personnel must be provided. Which includes a professional dedicated team of SOC personnel as follows:

- a. A minimum of 1 dedicated Onsite Service Delivery Manager is required.
- b. A minimum of 2 personnel is required to administer the SOC. At least one dedicated security specialist per each certification listed below:
  - Certified Information Security Manager (CISM)
  - Certified Ethical Hacker (CEH)
  - ISO 27001 Certification
- c. A minimum of 1 person to provide administration of Anti-Virus software used by the City. (Dedicated on site Anti-Virus administrator).
- d. A minimum of 10 personnel to monitor SOC services (tier 1 analysts to operate a minimum of 2 personnel per shift 24x7).

The bidder must be able to demonstrate experience in implementing and managing a comprehensive Security Operations Center and should list 3 credible and verifiable customer references.

A comprehensive SOC refers to:

- a. Collection of data and logs from many different data sources from a single client.
- b. The collection needs to extend across majority of the ICT environment of the client.
- c. A 24x7x265 monitoring, analysis and alerting service need to be in place.
- d. Managing more than 5 000 end point devices.
- e. Strictly Security Information and Event Management (SIEM) enabled SOC

NOTE: The Bidder is expected to provide all required hardware related to the infrastructure for the duration of the contract (36 months). The onus lies with the bidder to ensure that all assets and equipment for the

solution are either under warranty or covered by maintenance support agreement. Evidence of three references required.

## **B) ICT SECURITY MATURITY ASSESSMENT**

Information systems assessment is a part of overall assessment process, which is one of the facilitators for good corporate governance. The bidder is required to assess the City's people, policies, processes, controls, and resources in order to deliver ICT that is aligned and able to meet the institution's strategic goals. Maturity to be measured by establishing levels of awareness, use and experience as well as realized benefits and measures of success.

The bidder is required to assess the current CoT ICT Security posture and indicate areas for improvement within three years. The assessment will be based on areas for improvement against best practice by using the following:

CoT requires a team of highly experienced IT Security experts to align with best-of-breed solutions that are complimented by industry standards, frameworks, and best practices such as ITIL v3, COBIT, King3, 20 SANS Controls, NIST Cybersecurity Framework and ISO 27001&2.

A skills matrix and total number of dedicated personnel must be provided. Which includes a professional dedicated team of Security personnel as follows:

A minimum of 1 dedicated Onsite Service Delivery Manager is required.

A minimum of 2 personnel is required to conduct the assessment. At least one dedicated security specialist per each certification listed below:

Certified Information Systems Security Professional (CISSP)

Certified Ethical Hacker (CEH).

The bidder is required to design a roadmap and the Security Strategy that contains different functional focus areas in which to plot key initiatives with a planned quarterly outcome, and an annualized event project plan.

Each functional area should have a roadmap that covers:

- a) Preliminary investigations
- b) Analysis of business activity
- c) Assessment of existing systems
- d) Identification of unique functional strategies and interdependencies
- e) Design and roadmap of the functional stream (including priorities)
- f) Process and controls

## **C) GOVERNANCE, RISK AND COMPLIANCE**

The bidders are required to:

- a) Establish, implement, maintain, and improve Information Security Policy
- b) Define risk assessment approach identify and assess the risks
- c) Evaluate options for risk treatment select controls to prepare statement of applicability
- d) Detect and handle incidents
- e) Implement identified improvements, take corrective actions, communicate actions and improvement
- f) Evaluate the capability levels of ISO/IEC 287001 controls according to ISO/IEC 15504
- g) Recommend the best framework for compliance with Information Security legal, regulatory, and contractual requirements.
- h) Ensure effective risk management integration into the SDLC.
- i) Provide a structured methodology to help identify, evaluate, and minimize risks to the IT systems that support the City's mission critical systems.
- j) Provide system and application users with security awareness training.
- k) Conduct continuous risk assessment to determine the extent of the potential threat and the risk associated with an IT system throughout its SDLC.
- l) During risk assessment process identify appropriate controls for reducing or eliminating risk during the risk mitigation process.
- m) Documented vulnerability sources that should be considered in a thorough vulnerability analysis when conducting risk assessment.
- n) Continuously and consistently document vulnerability sources that should be considered in a thorough vulnerability analysis when conducting risk assessment.
- o) Perform Third Party Risk Assessment

**The bidders are also required to specify the best practices for:**

- a) IT service continuity planning.
- b) System access control.
- c) System acquisition, development, and maintenance.
- d) Physical and environmental security.
- e) Compliance.
- f) Information security incident management.
- g) Personnel security.
- h) Security organization.
- i) Communication and operations management.
- j) Asset classification and control.
- k) Development and Implementation of Security policies.

**D) PENETRATION TEST AND VULNERABILITY MANAGEMENT**

The City of Tshwane intends to put in place an accurate ICT asset inventory containing all the critical information assets. This inventory must be scanned on a regular basis and all vulnerabilities must be timeously identified and addressed based on predefined criticality criteria.

The City of Tshwane also intends to have the ability to monitor vulnerability data and perform threat modelling. To achieve this, the City would like to establish processes and procedures to enable it to mitigate vulnerabilities on time across its entire ICT infrastructure.

The City of Tshwane currently has some procedures, and technologies to detect, identify, analyze, manage, and respond to cybersecurity threats and vulnerabilities and these need to be revamped and improved to meet current practices.

The envisaged result is that the City of Tshwane will have a robust and difficult to penetrate ICT infrastructure.

- Provide end-to-end support right from the initiation of scan till remediation to address the vulnerabilities
- Document standards that provide requirements for the ongoing identification, prioritization, and remediation of vulnerabilities within the environment
- Identify system and software vulnerabilities that are present in business applications, information systems and network devices
- Determine the extent to which business applications, information systems and network devices are exposed to threats
- Prioritize the remediation of vulnerabilities (e.g. using the vendor's patch release schedule)
- Provide a high-level view across the organization's technical infrastructure (e.g. to make comparisons and identify trends).
- Verify the security status of the City's ICT environment with routine vulnerability scans
- Develop and implement Patch Management Strategy

#### SCOPE OF WORK: (PENETRATION TEST AND VULNERABILITY MANAGEMENT) PHASE I: THREAT & VULNERABILITY ANALYSIS)

##### STEP 1: ASSESSMENT OF CURRENT PRACTICES:

The purpose of this step is to determine the adequacy of the City of Tshwane's current processes in the identification of ICT security threats and vulnerabilities, Response to cyber security incidents and management involvement in the identification and incident response processes.

##### STEP 2: ASSESSMENT OF INFORMATION ASSETS:

The purpose is to test the following components of the City of Tshwane ICT infrastructure from the internal network:

- Operating systems and configurations
- Databases

Findings and testing must include but must not be limited to the following:

1. Information security patches
2. Database and Operating systems
3. Network settings
4. Systems Security
5. Security policies



6. Remote access
7. Current Cyber Security threats that could exploit the City of Tshwane infrastructure

#### PHASE 1 DELIVERABLES ARE AS FOLLOWS:

1. City of Tshwane Current Practices, Issues, and detailed recommendations
2. Vulnerability Assessment report
3. Vulnerability severity ratings and detailed remediation recommendations

#### RESTRICTIONS:

During this phase, all activities will be limited to scanning. No attempts to connect to the City of Tshwane's internal network, exploit systems or monitor network traffic will be made.

#### **PHASE II: THREAT & VULNERABILITY GAPS CLOSURE**

During this phase, the service provider will not be involved in the gap closure activities. The City of Tshwane internal security team will close all gaps on current practices, improve required skills and knowledge, and improve usage of current security tools so that the overall City of Tshwane security posture can be improved.

Activities to be carried out by the City of Tshwane will be guided by the recommendations made by the service provider in Phase I.

#### **PHASE III: PENETRATION TESTING**

The purpose of this phase is for the service provider to try and connect to the City of Tshwane's internal network and exploit systems in a controlled manner.

Findings and testing during this phase must include but must not be limited to the following:

1. Current Cyber Security threats that could exploit the City of Tshwane infrastructure as mentioned in Phase I.
2. Emerging Cyber Security threats that could exploit the City of Tshwane infrastructure.
3. Exploitation of found vulnerabilities that are exploitable
4. Suggestions for mitigation
5. Report and recommendations

The following tests need to be performed:

- Penetration testing on CoT perimeter security from inside and outside
- Vulnerability testing on the 300 servers
- Vulnerability testing on the 100 network devices.
- Vulnerability testing on the 5000 workstations.
- Vulnerability testing on the Wi-Fi.

### **PHASE 3 DELIVERABLES ARE AS FOLLOWS:**

1. External penetration testing report
2. Results at each stage of the penetration test stages
3. Evidence of successful exploitation such as screenshots, logs and data leaked
4. Detailed Recommendations
5. Final report on the overall ICT Security posture of the City of Tshwane

The appointed service provider should provide the following upon the completion of the project:

- a) Audit report on all network equipment and systems
- b) Complete ICT security vulnerability report
- c) Recommendations on the vulnerabilities found

### **E) ICT SECURITY AWARENESS AND TRAINING PROGRAM**

The Bidders are required to provide CoT with the next generation Security awareness solution that integrates high quality and relevant Cyber security awareness content.

The following is required:

- a) Phishing simulation platform (posters, exercises, and newsletters)
- b) Training modules, educational cartoons
- c) Monitor ongoing social engineering problems
- d) Promote risk and security awareness culture.
- e) Help in managing security incidents, compliance risks, and financial losses.
- f) Provide visibility into organizational behavior with respect to cyber security.
- g) Ensure that CoT users aware of good security principles and threats, have been properly trained, and comply with the Organization's security policies and standards.
- h) Awareness Training Tool
- i) Certified Information Systems Auditor (CISA)
- j) OEM Certification

### **F) SECURITY AUDIT TOOL AND SERVICES**

The bidders is required to provide a security audit tool and services to perform the following functions:

- a. **Alert on permission changes to critical folder**
- b. **Alert on privilege escalations and Group Policy changes in Active Directory**
- c. **Alert on abnormal user behavior (information leaking, insider threats)**
- d. **Detect and prevent malware infections**

- e. Protect and lock down overexposed critical and sensitive data
- f. Track and analyze user data access and provide behavioral analytics
- g. Establish a baseline of normal activity for each user
- h. Detect and prevent and anomalous activity on the network
- i. Provide a granular audit trail for Active Directory, showing escalated privileges for whom, when and what the user did with their administrative access
- j. Provide a complete audit trail for forensic investigations
- k. Integrate with the CoT SIEM solution for alert and monitoring
- l. Perform data classification function that is able to scan and classify sensitive information
- m. Provide a clear methodology to remediate the risk without manual effort
- n. Illustrate where global access groups are applied across multiple platforms and who has been using them
- o. Improve IT Audit Control Environment
- p. Monitor and Track IT Audit Progress for both Internal and External Audit
- q. Certified Information Systems Auditor (CISA)
- r. OEM Certification

## **G) FIREWALL MANAGEMENT SERVICES**

The City requires the provision of the Next-generation firewalls (NGFWs) that move beyond port/protocol inspection and blocking to add application-level inspection, intrusion prevention and bringing intelligence from outside the firewall.

The required capability of the proposed NGFWs for the City:

- a) Be able to identify, allow, block or limit applications regardless of port and protocol
- b) Support all major authentication protocols such as LDAP/AD, RADIUS, Kerberos
- c) Have centralized Management, Administration, Logging and Reporting solution
- d) Have Deep packet Inspection capability
- e) Integrate IPS
- f) Integrate and redirect event logs to a SIEM Server
- g) Create a cyber-flight recorder audit trail for forensic analysis
- h) The system must support dynamic pin holing to limit access security breaches
- i) Require no Annual Renewal License Fees
- j) Provide high quality of 160G max
- k) Carry strong IPS engine
- l) Support monitoring and unified management systems and able to be integrated with an Network Monitoring server.
- m) Two (2) dedicated Certified Firewall Specialists
- n) OEM Certification

## **H) APPLICATIONS SECURITY SERVICES**

The bidder is required to provide multi-layered coverage threat monitoring solution; rich insight into the City ERM applicative and transactional data

## APPLICATION SECURITY FOCUS AREA: S4HANA SECURITY

The bidder is requested to focus on the following for the assignment:

- a) Perform end-to-end SAP S/4HANA Security Assessment
- b) Design SAP S/4HANA Security Architecture
- c) Develop SAP S/4HANA Security Framework
- d) The HANA security framework and SAP security baseline should be included throughout the entire lifecycle of SAP HANA. The bidder is required to develop a comprehensive security framework for secure data access and applications, with functions for authentication and user management, authorization, masking, anonymization, encryption, and auditing.
- e) Perform an assessment for the different SAP HANA scenarios and their impact on the security approach. The assessment should include configurations and controls related to data security, with regards to Users, authentication, roles/authorization, masking, data encryption and auditing.
- f) Develop SAP HANA's security framework and functions to secure data and applications  
The framework should include set of processes, guidelines, tools, and staff training to ensure that security is an integral component for architecture, design, and implementation of all SAP solutions. The secure development lifecycle should be a threat-based approach, which includes risk and data protection assessments, comprehensive security testing including automated and manual tests and penetration testing, and a separate security validation phase.
- g) Secure setup and tools for SAP S/4HANA security configuration, management, and monitoring
- h) Develop SAP's secure software development process and security patch strategy
- i) Determine the security approach to be used to manage administrative access
- a) Design security architecture that requires a project-specific security model
- b) Outline comprehensive set of security capabilities to address security and regulatory requirements in different scenarios and deployment environment.



Figure 1: SAP S/4HANA as a managed service

### ASSESSMENT

- SAP S/4HANA is designed to run securely in different scenarios and deployment modes. The required security framework should enable the City to implement security policies and compliance requirements.

The Bidder is required to provide an overview of SAP S/4HANA's security functions and how they can be used to manage and control compliant access to data.

- The topics covered here will include authentication, authorization, logging and auditing, secure store and forward mechanisms, remote communications, and the network architecture to be adopted.

## METHODOLOGY

The methodology to be adopted for the security assessment of SAP HANA implementation are illustrated below in phases.

### **Phase 1: User Authentication**

- **User Accounts**

The main aspect of user authentication for SAP installation is auditing the user accounts created. A successful bidder is required to check the following:

- List all user accounts present on the system
- Any vendor or generic accounts created, other than the default SAP accounts
- Accounts of users who have left the City or are on leave, and need to be disabled (as per the City's ICT Security Policy)
- Last successful and unsuccessful logins for all users

- **Password Complexity**

The next step is to check for password strength parameters being enforced for the SAP users.

- The bidder is required to check whether standard complexity measures such as disallowing the use of dictionary words, ensuring there is a mix of alphanumeric and punctuation mark characters, and that the administrator password is of maximum allowable length of 8 characters and are sufficiently complex. Furthermore, profile parameters must be defined to influence the usage of strong passwords.

- **Security Assessment**

The bidder is required to illustrate various mechanisms to control user sessions as follows:

- Listing out user logins, logout, and terminals where the authentication attempts took place as well as information whether the login were successful or not.
- Terminating a logged in user session after a specific number of unsuccessful logins using the profile parameter login/fails\_to\_session\_end
- Logging off users after a specific period of inactivity by setting the profile parameter rdisp/gui\_auto\_logout
- Locking a user account after a specific number of failed authentication attempts with that user account by setting profile parameter login/fails\_to\_user\_lock
- The SAP logon Pad, which ensures that the users cannot change the SAP logon configuration.
- Session security measures must also deal with SAP shortcuts used to store the user's logon information on the client. Although this is a convenience measure, the authentication data is saved in plain text. The use of SAP shortcuts should therefore be discouraged or administratively prohibited.

## **Phase 2: User Authorization**

The bidder is required to design and implement a structured authentication matrix. Authority checks must be used to grant users specific authentication to carry out their functions.

The four types of authority checks required:

- **Start Transaction Authorization:** the authorization given to the user to start menu-based or command-line transactions.
- **Transaction-specific Authorization:** Besides the authority to start transactions, the user can also be required to process additional authorizations to successfully complete the transaction
- **Authority-Check at program Level:** SAP programs include an AUTHORITY-CHECK at the code level. Custom developed transactions can also be protected with this mechanism
- **Report Classes and Table Authorization Groups:** In addition to the above authorizations, reports can be assigned to report classes and authorization groups can be assigned to tables.
- **Profile Generator**

The successful bidder should demonstrate how a Profile Generator is used to implement authorization matrix.

The following needs to be assessed:

- Which transactions have been assigned to which job roles?
- Which activity groups have been created for each of the job roles?
- Which authorization profiles have been created and assigned to each activity group?
- Which activity groups have been assigned to which agents? Note: agents need not be R/3 users, and can include jobs, positions, and Organizational Units as well
- **Authorization Information system**

The bidders are required to provide a report of the complete authorization matrix as it exists within the system. This must be done using the SAP GRC system, to obtain the following views:

- Users with certain authorizations
- All users with a given authorization
- All Authorizations
- Profile comparisons
- Transactions that a given user can execute
- Changes in the authorization profile for a user
- Determine how many users have SAP\_ALL access in the production environment.
- List all users with special SAP system administration
- Determine who has batch access

- List users with authorization for SM04, SM50 (S\_TSKH\_ADM) which grants access to the transaction locking function. Determine which transaction are locked on the production system by viewing additional authority checks.
- Determine if the parameters for the trace and log files are adequate
- Determine if spool access is properly restricted, verify who has authorization object
- Is access to the SAP archiving function restricted?
- Determine who has access to the SAP customizing system (IMG, menu customizing)

### **Phase 3: Network Communications**

- **Standard Network Configuration Security**

The required network architecture for a secured SAP system is to put the SAP application server and the database server in a separate segment. This segment must be protected from the SAP users as well.

- **SAP Router**

The successful bidder should demonstrate how SAP Router will be integrated with the existing firewall proxy; and design suggested network architecture

- **Framework**

Furthermore, the designed Framework should entail the following:

- User and Identity Management
- Authentication and single sign-on
- Authorization and role management
- Encryption
- Data protection and privacy

Furthermore the City requires a thorough understanding of the architectural and business process changes which HANA introduces. To address security requirements and risks throughout the entire lifecycle of HANA roll-out, the creation of a holistic SAP HANA security concept is required.

- **Deliverables**

Expected deliverables for this Category are as follows:

- SAP S/4HANA Security Architecture
- SAP S/4HANA Security Framework

- SAP S/4HANA Security Assessment Report with recommendations

## **I) EMAIL SECURITY GATEWAY SERVICES**

The intended solution must support multiple email platforms including Microsoft Office 365, Microsoft Exchange and also be able to implement the single email domain, email security, archiving, large email attachments, email continuity services and remove the risks and complexities of business email management.

The solution must be pre-integrated with the City's existing SOC system. The following services are mandatory to ensure optimum system functionality :

- **Single Email Domain management**
  - Automated alteration of current email domains to single email domain for outbound mail
  - Automated alteration of email display name of new users and registered users
  - Implementation of a single email disclaimer per department to all outgoing emails,
  - Implementation of automated signatures per user in each department
  - Services requested for a period of 36 Months
- **Service Platform**
  - The solution must be ISO 27001 certified
  - The data centres hosting the solution must be scalable, jurisdictionally segregated and geographically dispersed and hosted within the borders of South Africa
  - 100% service availability with a punitive SLA
  - The administration of the services must be done through a single web-based Administration Console
  - Provide E-mail box size offering for different users depending on the level and responsibility of the user
- **Authentication**
  - Secure login for administrators and end users using a pre- defined password standard for cloud logon, and provide functionality for the secure login for administrators and end users using Active Directory or Office 365 identities
  - Different Authentication options that are configurable by an administrator, based on user profiles
  - Provide 2-step authentication capability for all platforms
- **Policy and Authorization**
  - Granular security policy application to all emails based on users, specific senders, recipients or groups
  - Security and delivery policies applied based on Directory attributes or group membership
  - Assignment of administrators to pre-defined or customizable roles with associated permissions
  - Flexible management of end user permissions using directory or local groups
  - All access, events, policy creation and modifications must be kept in an auditable method
- **Monitoring and Reporting**
  - Automated scheduled and manually defined reports of corporate email system usage patterns, including detailed email activity filtering.
  - Online dashboard for inbound and outbound email queues
  - Online dashboard for monitoring of synchronization services
  - SMS and email notifications of potential service issues
- **Email Gateway**
  - Advanced inbound email traffic splitting for customers with multiple sites and email servers, based on AD groups or Attributes, or email domain



- Full email delivery queue management with manual retry, bounce, reject and extended spool options
  - Real-time view of all SMTP connections and rejections
  - Online real-time rerouting of queued items to remote DR site during local outages
  - Email Security and real-time threat protection
  - Connection-based spam filtering
- **Email Attachment Management**
    - Flexible attachment management rules applied via administrator-defined policies to allow, block, strip or hold
    - Policy-based inbound gateway strip and link keeping large email attachments away from the local mail store
    - Policy-based outbound gateway strip and link to assist with deliverability of large email attachments
    - End-user-invocation of strip and link functionality
    - Administrator configurable email or attachment size limit policies
    - Ability to send and receive large files securely via email
    - Configurable / optional password protected exchange of large attachments with controlled download link extension and expiration
    - Files automatically archived and indexed for search
    - Files archived in line with retention policy
    - Notification when files are first accessed by the recipient
- **Data Leak Prevention (DLP)**
    - Real-time protection against leaks of confidential or sensitive information sent via mail
    - Identify confidential files using cryptographic checksums
    - Analysis of content within email body, HTML, subject lines, headers and attachments
    - Intelligent identifiers for the recognition of structured data such as credit card numbers
    - Stripping of confidential metadata from MS Office files to avoid unintentional data leakage
    - Ability to convert MS Office files to PDF before delivery
    - User invocation of document transformation policy from administrator-defined selection
    - Secure Messaging enforcement using key phrases in any email content
    - Date-specific or indefinite content protection policies
    - Automated DLP policy application according to sender / recipient / user group membership
    - Analysis of outbound file content against DLP rules when sent via Large File Send
    - Block, hold pending review, bcc a group, add content, add to shared smart folder
    - Analysis of internal mail against DLP rules
    - Ability to set the expiration of secure messages including revocation
- **Email Continuity**
    - Automatic email queuing / spooling for specified days plus the option to pause inbound delivery
    - Administrator or end user invocation of continuity service should the primary mail environment be unavailable
    - Continuity Event Management features provide detection, administrator alerting and easy invocation of continuity service
    - Always-on access to live email and calendar information
    - Customizable administrator-controlled mailbox continuity
    - SMS alerts to users
    - Administrator-controlled and customizable continuity service notifications for all platform users
    - Administrator-controlled for apps enable email access during ActiveSync unavailability
    - Administrator-controlled native Mac application that enables email access during Exchange outages

- **Email Retention, Archiving and Access**

- All retained email is encrypted and held in triplicate to ensure tamper proof, secure data
- All data is held in jurisdictionally defined locations
- Retention of all inbound, outbound and internal email according to centrally managed retention policy
- POP3 or SMTP journal-based live archiving of internal email
- Ability to limit content viewing rights to archived mails
- Detailed receipt and/or delivery log held for every stored email
- Every iteration of every message is stored with an audit trail of all policies it was evaluated against
- Categorize / group messages in smart tags based on message content, or via policy
- Policy defined message stubbing of full messages or attachments only on Exchange
- Near real-time search and access of archived email anytime anywhere by user
- End-user personal archive search via any device and platform.
- End-user search of personal and delegated archive including Smart Tags directly from Outlook and Apple Mac

## **J) ROBOTIC PROCESS AUTOMATION (RPA)**

The bidder is required to perform an assessment of the internal processes and ICT environment to identify the potential risk in the systems associated to human intervention and repetitive critical tasks. The bidder will also extend the currently automated processes in order to demonstrate the benefits it can provide to the organization and to build a business case for extending these benefits to additional relevant processes.

The scope of work further includes the assessment of the internal processes and ICT environment to identify the potential risk in the systems associated to human intervention and introduce the RPA on those tasks to ensure that the process which includes capturing and alteration of data does not get manipulated easily within the City.

The functionality and benefits of RPA should address these themes as follows:

- a) Interacting with multiple applications and systems at the user interface level to perform transactional and operational processes (For example web applications, virtual machines, ERP systems, desktop applications, email, legacy systems).
- b) Continuous operation 24 hours a day (or as long as the system's run-time permits), providing superior service to internal and external customers.
- c) Approximately 20 times faster than humans at executing processes with negligible error rates, resulting in significant efficiency gains.
- d) Role-based security capabilities should be built into the RPA tool to ensure action-specific permissions. Additionally, the RPA tool should enable the configuration and customization of encryption capabilities for securing specific data types in order to protect against network communication interruptions.
- e) Automate mundane repetitive tasks to optimise resource utilisation across multiple business operations.
- f) Improving the quality of work, increasing accuracy, and enhancing customer/client interactions.
- g) Provide a robust analytics suite that allows for the monitoring and management of automated functions from a central console. This console should be available from any location and provides basic metrics on robots, servers, and workflows.
- h) Create bots in a matter of clicks.
- i) Compare various versions of a process and determine what has changed. Similarly, the control room component of the tool should enable the management of Bot versions, the scheduling of bots, the administration of users and roles, and the maintenance of a log of user and bot activity.

- j) Deployment capabilities across virtual machines, terminal services, and other sources. The latest trend is to implement with optical character readers (OCRs). Additionally, it should work via rule-based exceptions that handle various exceptions pro-actively. The tool should be feature-rich to combine structured and unstructured data and convert it to information.
- k) The bidder must provide Robotics Engineering Certificate

#### **K) DATA PROTECTION. REGULATIONS AND COMPLIANCE - ASSESSMENT**

- a) The bidder is required to conduct assessment on the legislated data protection act
- b) Perform GAP analysis
- c) Formulate and develop data protection and privacy plan for the City
- d) Create a formal compliance framework and project timeline in order to comply with the data protection and privacy act
- e) Establish and identify clear activities relating to specific duties regarding compliance with the data protection and privacy act
- f) Identify and assess different types of personal information in the City and how is it processed
- g) Develop and implement policies relation to data protection and privacy compliance
- h) Implement processes to ensure compliance roles and responsibilities for data protection and privacy act
- i) Train City of Tshwane employees and relevant stakeholders on the roles and responsibilities
- j) Assess and classify data accordingly
- k) Develop awareness strategy relating to data protection and privacy regulations

#### **L) MICROSOFT ENTERPRISE MOBILITY AND SECURITY**

The bidder is required to provide the City with Microsoft Enterprise Mobility and Security Services. Conduct detailed assessment of COT's security landscape and identification of top priorities and opportunities that will help to define the next steps.

The bidder is also required to ensure visibility into hidden privacy and regulatory risks in the Microsoft 365 Cloud environment in use by COT.

#### **The prioritized services are as follows:**

- a) Provide Microsoft Enterprise Mobility and Security licenses
- b) Azure Active Directory enablement
- c) Multifactor Authentication and Self-Service Password Reset Service
- d) Advance Threat Protection or Advance Threat Analytics
- e) Mobile Device and Application Management
- f) Cloud Application Security
- g) Enable Change Management relating to User adoption on Intune
- h) Identity and Access Management –
- i) Directory synchronization ,self-service password, Multi-factor Authentication, single sign-on, privilege identity mgament , identity protection, conditional access
- j) Device and Application Management
- k) Basic compliance management
- l) Intune and SCCM integration
- m) Information Protection
- n) Data Classification

- o) Azure Information Protection deployment
- p) Office 365 Data Loss Prevention capability
- q) Advanced Threat Protection
  
- r) Exchange online protection
- s) Deployment of Microsoft 365 trial licenses for Threat Check in COT tenant.
- t) Configuration of Microsoft 365 Security tools (Azure Active Directory Identity Protection, Microsoft Defender for Office 365 and Microsoft Cloud App Security) to discover threats to COT's identity, email, and data.
- u) Deployment of the Azure Sentinel in the COT tenant.
- v) Threat exploration to discover threats actively attacking the COT.
- w) Mapping threats discovered to a recommended method of mitigation
- x) Deployment of Microsoft 365 trial licenses for Threat Check in COT tenant.
- y) Configuration of Microsoft 365 Security tools (Microsoft 365 Defender, Azure Active Directory Identity Protection, Microsoft Defender for Office 365 and Microsoft Cloud App Security) to discover threats to customer's identity, email, and data.
- z) Analysis of cloud applications used by users in COT environment through the Cloud Discovery part of Microsoft Cloud App Security.

**NOTE:** The bidder is required to have the following partner accreditation from Microsoft :

- Gold Security Accreditation
- Gold Enterprise Mobility Management

**M) DATA PROTECTION. REGULATIONS AND COMPLIANCE - ASSESSMENT**

- a) The bidder is required to conduct assessment on the legislated data protection act
- b) Perform GAP analysis
- c) Formulate and develop data protection and privacy plan for the City
- d) Create a formal compliance framework and project timeline in order to comply with the data protection and privacy act
- e) Establish and identify clear activities relating to specific duties regarding compliance with the data protection and privacy act
- f) Identify and assess different types of personal information in the City and how is it processed
- g) Develop and implement policies relation to data protection and privacy compliance
- h) Implement processes to ensure compliance roles and responsibilities for data protection and privacy act
- i) Train City of Tshwane employees and relevant stakeholders on the roles and responsibilities
- j) Assess and classify data accordingly
- k) Develop awareness strategy relating to data protection and privacy regulations

## 8. STAGES OF EVALUATION

The following tender will be evaluated in (3) stages:

**8.1 Stage 1: Administrative Compliance**

**8.2 Stage 2: Mandatory requirements**

**8.3 stage 3: Functionality Criteria**

The City of Tshwane has set standards that bidder(s) must meet in order to be evaluated and selected as a successful bidder. The minimum standards consist of the following phases:

### 8.1 Stage One: Administrative Compliance

All the proposals will be evaluated against the Administrative requirements as set out in the list of returnable documents.

### 8.2 Stage Two: Mandatory Requirements

All bidders must comply with the mandatory requirements as described hereunder in order to be considered for subsequent evaluation stages. All mandatory requirements must be satisfied to avoid disqualification. Failure to meet this requirements bids will be disqualified:

**Table-1: Mandatory Certification per Category**

City's Enterprise	Circle Category of Choice	Mandatory Requirements
Security Operation Centre services	A	OEM Certification + CEH + CISM+ ISO 27001
Security Maturity Assessment and the development of the Strategy	B	CISM Certification + CEH
Governance, Risk and Compliance	C	CGEIT + CRISC
Penetration Testing and Vulnerability Tracking Management	D	OEM Certification + CISSP, CEH, ISO 27001&2
Security Awareness and Training Program	E	OEM Certification + CISA
Security Audit Tool and Services	F	OEM Certification + CISA
Firewall Management Services	G	OEM Certification + Firewall Specialist Certification
Application Security Services	H	OEM Certification + Certified Technology Associate – System Security and Authorization, + Certified Technology Professional – System Security Architect
Email Security Gateway Services	I	OEM Certification +CISSP+CISM
Robotic Process Automation (RPA)	J	OEM Certification + Advanced RPA Professional Certificate

Data Protection Regulations and Compliance Assessment	K	CDPSE+ CIPP + CISM
Microsoft Enterprise Mobility and Security	L	OEM Security Gold Partner Certification + CISM + Microsoft 365 Certified: Security Administrator Associate

***The non-attachment of the required Certification will result in the bid being deemed to be “non-responsive” and will not be considered for further evaluation.***

### 8.2.3. Mandatory Requirements

**Summary of Mandatory Requirements per Category as listed in Table 1 above.**

- The Bidders are expected to attach Original Equipment Manufacturer (OEM) Certification for Category A, D, E, F, G, H, I, J and L
- The Bidders are expected to attach Certified Information Security Manager (CISM) Certification for Category A, B and D
- The Bidders are expected to attach Certified Information Systems Security Professional (CISSP) Certification for Category D and I
- The Bidders are expected to attach Certified Ethical Hacker (CEH) Certification for Category A, B and D
  
- The Bidders are expected to attach Certified Governance of Enterprise IT (CGEIT) and Certified in Risk and Information Systems Control (CRISC) for Category C The Bidders are expected to attach Certified Information Systems Auditor (CISA) Certification for Category E and F
- The Bidders are expected to attach CIPP Certification for Category K
- The Bidders are expected to attach RPA PROFESSIONAL Certification for Category I
- The Bidders are expected to attach FIREWALL SPECIALIST Certification for Category G
- The Bidders are expected to attach MICROSOFT 365 Certified: SECURITY ADMINISTRATOR ASSOCIATE for Category L

***The non-attachment of the required Certification will result in the bid being deemed to be “non-responsive” and will not be considered for further evaluation.***

### 8.3 Stage Three: Functional Evaluation Criteria

**NOTE: THIS PANEL WILL BE RESTRICTED TO A MAXIMUM OF THREE HIGHEST QUALIFYING SUPPLIERS PER CATEGORY.**

**Bidders complying with ALL the requirements on stages 1 and 2 will be evaluated against the Functional Evaluation Criteria as set below. Bidders must score 70 points or more out of a total 100 points allocated for Functional Criteria. Bidders that score less than 70 points will be disqualified and will not be evaluated further.**

**Stage 3: Table-2: Functional Evaluation**

CRITERIA	SUB-CRITERIA	SCALE	WEIGHT	HIGHEST POSSIBLE SCORE
<p>Bidder's previous performance and experience in similar work.</p> <p>Bidders to provide references on work successfully completed. These references must specifically state the periods of experience and whether the person supplying the reference were satisfied with the work completed.</p> <p>All references must be on the letterhead of the company supplying the reference.</p>	3 projects or more	9	5	45
	2 projects	6		
	1 project	3		
<p>Local Economic participation</p> <p>(The bidders must have an office within the boundaries of the CoT)</p> <p>Bidders shall submit their rates and taxes as proof. The rates and taxes submitted by bidders should be in the name of the company or the name of the director(s).</p> <p>Lease agreement can also be attached if there are no rates and taxes.</p>	In Tshwane	3	5	15
	Inside Gauteng	2		
	Outside Gauteng	1		
<p>Company key personnel experience</p> <p>Professional Teams: Project Manager, Senior Security Specialist and Security Specialist</p> <p>The company must provide proof of qualifications, including curricula vitae of its professional team members.</p>	Project Manager: 7 years' experience		5	20
	3 to 4 Years	1		
	5 to 6 Years	2		
	7 Years or more	4		
	Senior Security Specialist: 5 years' Experience			

	3 to 4 Years	1	
	5 Years or more	2	
	Security Specialist: 3 years' experience		10
	1 to 2 Years		
	3 Years or more	1	
		2	
<b>HIGHEST POSSIBLE SCORE</b>			<b>100</b>

***PLEASE NOTE: Only Bidders who obtain a minimum of 70 points of the following criteria will be further evaluate***



## 8.2. Work Categories

Bidders are requested to circle a category or categories of their choice. Each selection must be accompanied by appropriate accreditation/ certificate. The selection and attachment of Accreditation/Certification from the OEM are mandatory. Should a Bidder respond to all eleven (11) categories, then eleven Accreditation Certificates must be attached. Failure to satisfactorily complete Table-1 will result in the submission being deemed “non-responsive” and will not be considered further.

### 8.2.1 Consultant Cost per category

The Bidder should indicate consultant cost per hour. The Pricing Rates will be used for internal analysis and will form part of future engagement with the successful bidders as and when the services are required. The experienced Level and associate rate per hour in South African Rands are for three (3) year period beginning with the first year of this tender. All bidders should comply and failure to complete TABLE-3 in full is automatic disqualification.

**Table-3: Consultant Cost per Category**

CONSULTANT DESCRIPTION	EXPERIENCE IN YEARS	Per Hour	Total per Month	Total per Year
Trainee Consultant	< 2	R 0.00	R 0.00	R 0.00
Junior Consultant	= > 2	R 0.00	R 0.00	R 0.00
Experienced Consultant	= > 5	R 0.00	R 0.00	R 0.00
Senior Consultant	= > 8	R 0.00	R 0.00	R 0.00
Team leader	= > 10	R 0.00	R 0.00	R 0.00
Subject Matter Expert	= > 15	R 0.00	R 0.00	R 0.00

## 9. MARKET ANALYSIS

The city of Tshwane reserves the right to conduct market analysis. Should the city exercise this option, where a tenderer offers a price that is deemed not to be viable to supply goods or services as required, written confirmation will be made with the tenderer if they will be able to deliver on the price, if a tenderer confirm that they cannot, the tenderer will be disqualified on the basis of being non-responsive. If they confirm that they can deliver, a tight contract to mitigate the risk of non-performance will be entered into with the service provider. Further action on failures by the supplier to deliver will be handled in terms of the contract including performance warnings and listing on the database of restricted suppliers.

The city further reserves the right to negotiate a market related price with a tenderer scoring the highest points. If the tenderer does not agree to a market-related price, the city reserves the right to negotiate a market-related price with the tenderer scoring the second highest points, if the tenderer scoring the second highest points does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the third highest points. If a market-related price is not agreed, the city reserves the right to cancel the tender.

#### 10. VALIDITY PERIOD

The validity period for the tender after closure is 90 days.

#### 11. Draft SERVICE LEVEL AGREEMENTS

The successful bidders must enter into a Service Level Agreement with the Municipality upon appointment for this tender.

**PART A  
INVITATION TO BID**

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE CITY OF TSHWANE MUNICIPALITY</b>					
BID NUMBER:	GICT 04 2022/23	CLOSING DATE:	15 July 2022	CLOSING TIME:	10:00
DESCRIPTION	<b>TENDER FOR THE APPOINTMENT OF A PANEL OF SERVICE PROVIDERS TO PROVIDE THE CITY of TSHWANE WITH MANAGED INFORMATION TECHNOLOGY SECURITY SERVICES FOR 36 MONTHS.</b>				
<b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).</b>					

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

<b>Tshwane House</b>					
<b>Supply Chain Management</b>					
<b>320 Madiba Street</b>					
<b>Pretoria CBD</b>					
<b>0002</b>					
<b>SUPPLIER INFORMATION</b>					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes  <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		<input type="checkbox"/> Yes  <input type="checkbox"/> No

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

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3 ]
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE	R
SIGNATURE OF BIDDER	.....	DATE	
CAPACITY UNDER WHICH THIS BID IS SIGNED			
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>		<b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>	
DEPARTMENT	Supply Chain Management	DEPARTMENT	Group Shared Services
CONTACT PERSON	Relebogile Malatswane	CONTACT PERSON	Thembi Tshangela
TELEPHONE NUMBER	(012) 358 2735	TELEPHONE NUMBER	012 358 3715
EMAIL ADDRESS	RelebogileM@tshwane.gov.za	EMAIL ADDRESS	thembits@tshwane.gov.za

**PART B  
TERMS AND CONDITIONS FOR BIDDING**

<b>1. BID SUBMISSION</b>	
1.1	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2	<b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE</b>
1.3	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
<b>2. TAX COMPLIANCE REQUIREMENTS</b>	
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
2.4	FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.
2.5	BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.6	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.7	WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
<b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>	
3.1	IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? YES <input type="checkbox"/> NO <input type="checkbox"/>
3.2	DOES THE ENTITY HAVE A BRANCH IN THE RSA? YES <input type="checkbox"/> NO <input type="checkbox"/>
3.3	DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? YES <input type="checkbox"/> NO <input type="checkbox"/>
3.4	DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? YES <input type="checkbox"/> NO <input type="checkbox"/>
3.5	IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? YES <input type="checkbox"/> NO <input type="checkbox"/>
<p><b>IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.</b></p>	

**NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID. NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.**

SIGNATURE OF BIDDER: .....

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

DATE: .....

**PRICING SCHEDULE: FIRM PRICES (PURCHASES)**

**NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED**

**IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT**

Name of Bidder.....	Bid Number .....
Closing Time .....	Closing Date .....

OFFER TO BE VALID FOR ..... DAYS FROM THE CLOSING DATE OF BID.

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)
----------	----------	-------------	--

- Required by: .....
- At: .....
- Brand and Model .....
- Country of Origin .....
- Does the offer comply with the specification(s)? \*YES/NO
- If not to specification, indicate deviation(s) .....
- Period required for delivery .....
- \*Delivery: Firm/Not firm
- Delivery basis .....

Note: All delivery costs must be included in the bid price, for delivery at the prescribed destination.

\*\* "all applicable taxes" includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.

\* Delete if not applicable

**PRICING SCHEDULE: NON-FIRM PRICES (PURCHASES)**

**NOTE: PRICE ADJUSTMENTS WILL BE ALLOWED AT THE PERIODS AND TIMES SPECIFIED IN THE BIDDING DOCUMENTS.**

**IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT**

Name of Bidder .....	Bid number .....
Closing Time .....	Closing Date .....

OFFER TO BE VALID FOR 90 DAYS FROM THE CLOSING DATE OF BID.

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)
----------	----------	-------------	--

- Required by: .....
  - At: .....
  - Brand and model .....
  - Country of origin .....
  - Does the offer comply with the specification(s)? \*YES/NO
  - If not to specification, indicate deviation(s) .....
  - Period required for delivery .....
  - Delivery: \*Firm/Not firm
- \*\* "all applicable taxes" includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.
- \* Delete if not applicable

**PRICE ADJUSTMENTS**

**A. NON-FIRM PRICES SUBJECT TO ESCALATION**

1. IN CASES OF PERIOD CONTRACTS, NON FIRM PRICES WILL BE ADJUSTED (LOADED) WITH THE ASSESSED CONTRACT PRICE ADJUSTMENTS IMPLICIT IN NON FIRM PRICES WHEN CALCULATING THE COMPARATIVE PRICES
2. IN THIS CATEGORY PRICE ESCALATIONS WILL ONLY BE CONSIDERED IN TERMS OF THE FOLLOWING FORMULA:

$$Pa = (1 - V)Pt \left( D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + D4 \frac{R4t}{R4o} \right) + VPt$$

Where:

- Pa = The new escalated price to be calculated.
- (1-V) Pt = 85% of the original bid price. **Note that Pt must always be the original bid price and not an escalated price.**
- D1, D2.. = Each factor of the bid price eg. labour, transport, clothing, footwear, etc. The total of the various factors D1,D2...etc. must add up to 100%.
- R1t, R2t..... = Index figure obtained from new index (depends on the number of factors used).
- R1o, R2o = Index figure at time of bidding.
- VPt = 15% of the original bid price. This portion of the bid price remains firm i.e. it is not subject to any price escalations.

3. The following index/indices must be used to calculate your bid price:

Index..... Dated.....      Index..... Dated.....      Index..... Dated.....  
 Index..... Dated.....      Index..... Dated.....      Index..... Dated.....

4. FURNISH A BREAKDOWN OF YOUR PRICE IN TERMS OF ABOVE-MENTIONED FORMULA. THE TOTAL OF THE VARIOUS FACTORS MUST ADD UP TO 100%.

FACTOR (D1, D2 etc. eg. Labour, transport etc.)	PERCENTAGE OF BID PRICE




**B. PRICES SUBJECT TO RATE OF EXCHANGE VARIATIONS**

1. Please furnish full particulars of your financial institution, state the currencies used in the conversion of the prices of the items to South African currency, which portion of the price is subject to rate of exchange variations and the amounts remitted abroad.

PARTICULARS OF FINANCIAL INSTITUTION	ITEM NO	PRICE	CURRENCY	RATE	PORTION OF PRICE SUBJECT TO ROE	AMOUNT IN FOREIGN CURRENCY REMITTED ABROAD
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		

2. Adjustments for rate of exchange variations during the contract period will be calculated by using the average monthly exchange rates as issued by your commercial bank for the periods indicated hereunder: (Proof from bank required)

AVERAGE MONTHLY EXCHANGE RATES FOR THE PERIOD:	DATE DOCUMENTATION MUST BE SUBMITTED TO THIS OFFICE	DATE FROM WHICH NEW CALCULATED PRICES WILL BECOME EFFECTIVE	DATE UNTIL WHICH NEW CALCULATED PRICE WILL BE EFFECTIVE

ADJUSTMENT PERIODS	DATE FROM WHICH NEW CALCULATED PRICES WILL BECOME EFFECTIVE
1 <sup>st</sup> Adjustment	After 12 calendar months
2 <sup>nd</sup> Adjustment	After 24 calendar months

**NB: Unless prior approval has been obtained from Supply Chain Management, no adjustment in contract prices will be made**

**DECLARATION OF INTEREST**

1. No bid will be accepted from persons in the service of the state<sup>1</sup>.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.
3. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**
  - 3.1 Full Name of bidder or his or her representative: .....
  - 3.2 Identity Number: .....
  - 3.3 Position occupied in the Company (director, trustee, hareholder<sup>2</sup>) .....
  - 3.4 Company Registration Number: .....
  - 3.5 Tax Reference Number: .....
  - 3.6 VAT Registration Number: .....
  - 3.7 The names of all directors / trustees / shareholders members, their individual identity numbers and state employee numbers must be indicated in paragraph 4 below.
  - 3.8 Are you presently in the service of the state? **YES / NO**
  - 3.8.1 If yes, furnish particulars. ....  
.....

<sup>1</sup> MSCM Regulations: “in the service of the state” means to be –

- (a) a member of –
  - (i) any municipal council;
  - (ii) any provincial legislature; or
  - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of 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);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature.

<sup>2</sup> Shareholder” means a person who owns shares in the company and is actively involved in the management of the company or business and exercises control over the company.

3.9 Have you been in the service of the state for the past twelve months? **YES/NO**

3.9.1 If yes, furnish particulars. ....

.....

3.10 Do you have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

3.10.1 If yes, furnish particulars. ....

.....

3.11 Are you, aware of any relationship (family, friend, other) between any other bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

3.11.1 If yes, furnish particulars. ....

.....

3.12 Are any of the company's directors, trustees, managers, principle shareholders or stakeholders in service of the state? **YES / NO**

3.12.1 If yes, furnish particulars. ....

.....

3.13 Are any spouse, child or parent of the company's directors trustees, managers, principle shareholders or stakeholders in service of the state? **YES / NO**

3.13.1 If yes, furnish particulars. ....

.....

3.14 Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract. **YES / NO**

3.14.1 If yes, furnish particulars: .....

.....

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

Full Name	Identity Number	State Employee Number

.....

**Signature**

.....

**Date**

.....

**Capacity**

.....

**Name of Bidder**

**CONTRACT FORM: RENDERING OF SERVICES**

**THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SERVICE PROVIDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SERVICE PROVIDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.**

**PART 1 (TO BE FILLED IN BY THE SERVICE PROVIDER)**

1. I hereby undertake to render services described in the attached bidding documents to (name of the institution)..... in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number **GICT 04 2022/23** at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
  - (i) Bidding documents, *viz*
    - Invitation to bid;
    - Tax clearance certificate;
    - Pricing schedule(s);
    - Filled in task directive/proposal;
    - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2017;
    - Declaration of interest;
    - Declaration of Bidder's past SCM practices;
    - Certificate of Independent Bid Determination;
    - Special Conditions of Contract;
  - (ii) General Conditions of Contract; and
  - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.

6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT) .....

CAPACITY .....

SIGNATURE .....

NAME OF FIRM .....

DATE .....

WITNESSES	
1	.....
2	.....
DATE: .....	

**CONTRACT FORM: RENDERING OF SERVICES**

**PART 2 (TO BE FILLED IN BY THE PURCHASER)**

1. I..... in my capacity as ..... accept your bid under reference number ..... dated..... for the rendering of services indicated hereunder and/or further specified in the annexure(s).
2. An official order indicating service delivery instructions is forthcoming.
3. I undertake to make payment for the services rendered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice.

DESCRIPTION OF SERVICE	PRICE (ALL APPLICABLE TAXES INCLUDED)	COMPLETION DATE	B-BBEE STATUS LEVEL OF CONTRIBUTION	MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)

4. I confirm that I am duly authorised to sign this contract.

SIGNED AT ..... ON .....

NAME (PRINT) .....

SIGNATURE .....

OFFICIAL STAMP

WITNESSES

1 .....

2 .....

DATE: .....



**DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES**

- 1 This Municipal Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by municipalities and municipal entities 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 rejected if that bidder, or any of its directors have:
  - a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
  - b. been convicted for fraud or corruption during the past five years;
  - c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
  - d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

Item	Question	Yes	No
4.1	<p>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?</p> <p>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</p> <p><b>The Database of Restricted Suppliers now resides on the National Treasury's website(<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</b></p>	<p>Yes</p> <input type="checkbox"/>	<p>No</p> <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>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)?</p> <p><b>The Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b></p>	<p>Yes</p> <input type="checkbox"/>	<p>No</p> <input type="checkbox"/>

4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

**CERTIFICATION**

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

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

- 1 This Municipal Bidding Document (MBD) must form part of all bids<sup>1</sup> 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).<sup>2</sup> Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
  - a. take all reasonable steps to prevent such abuse;
  - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
  - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD 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 (MBD 9) must be completed and submitted with the bid:

<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids and proposals.

<sup>2</sup> 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: **GICT 04 2022/23**

**TENDER FOR THE APPOINTMENT OF A PANEL OF SERVICE PROVIDERS TO PROVIDE THE CITY of TSHWANE WITH MANAGED INFORMATION TECHNOLOGY SECURITY SERVICES FOR 36 MONTHS.**

(Bid Number and Description)

in response to the invitation for the bid made by:

**CITY OF TSHWANE MUNICIPALITY**

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

I certify, on behalf of: \_\_\_\_\_ that:  
(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - (a) has been requested to submit a bid in response to this bid invitation;
  - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.

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



# **THE NATIONAL TREASURY**

**Republic of South Africa**



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**GOVERNMENT PROCUREMENT**

**GENERAL CONDITIONS OF CONTRACT**

**July 2010**

## GOVERNMENT PROCUREMENT

# GENERAL CONDITIONS OF CONTRACT

July 2010

### 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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## 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 anything of value to influence the action of a public official in the procurement process or in contract execution.
  - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
  - 1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
  - 1.7 “Day” means calendar day.
  - 1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.
  - 1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.
  - 1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
  - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
  - 1.12 ”Force majeure” means an event beyond the control of the supplier and not involving the supplier’s fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
  - 1.13 “Fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

- 1.14 “GCC” means the General Conditions of Contract.
- 1.15 “Goods” means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 “Imported content” means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17 “Local content” means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 “Manufacture” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 “Order” means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 “Project site,” where applicable, means the place indicated in bidding documents.
- 1.21 “Purchaser” means the organization purchasing the goods.
- 1.22 “Republic” means the Republic of South Africa.
- 1.23 “SCC” means the Special Conditions of Contract.
- 1.24 “Services” means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.25 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.

**1. 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](http://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, services** 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
  - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
  - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
  - (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
  - (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.
- 13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.
- 14. Spare parts** 14.1 As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:
- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
  - (b) in the event of termination of production of the spare parts:
    - (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
    - (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.
- 15. Warranty** 15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.
- 15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the

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

- 15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.
- 15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.
- 15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.
- 16. Payment**
- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon 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**
- 18.1 No variation in or modification of the terms of the contract shall be made **amendments** except by written amendment signed by the parties concerned.
- 19. Assignment**
- 19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.
- 20. Subcontracts**
- 20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.
- 21. Delays in the supplier's performance**
- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.
- 21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.
- 21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without 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 antidumping 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.
<b>26. Termination for insolvency</b>	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.
<b>27. Settlement of Disputes</b>	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, <ul style="list-style-type: none"> <li>(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and</li> <li>(b) the purchaser shall pay the supplier any monies due the supplier.</li> </ul>
<b>28. Limitation of liability</b>	28.1	Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6; <p>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</p> <p>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.</p>
<b>29. Governing language</b>	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.
<b>30. Applicable law</b>	30.1	The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
<b>31. Notices</b>	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.

**SERVICE LEVEL AGREEMENT**

entered into between

**THE CITY OF TSHWANE METROPOLITAN MUNICIPALITY**

(Hereafter referred to as the “**City**”)

Herein Represented by the **City Manager/ Acting City Manager**

(Duly authorised hereto)

**AND**

---

Name of Company)

---

Registration Number:

(Hereinafter referred to as the “**Service Provider**”)

Herein Represented by:

---

In his/her capacity as:

---

(Duly authorised hereto)

**SERVICE LEVEL AGREEMENT**

entered into between

**THE CITY OF TSHWANE METROPOLITAN MUNICIPALITY**

a municipality as described in section 2 of the Local Government: Municipal Systems Act, 2000 and as contemplated in section 155 of the Constitution of the Republic of South Africa, 1996 as a category A municipality, or the Assignee, if applicable, herein represented by the City Manager/ Acting City Manager, duly authorised thereto under and by virtue of a

resolution passed on 26 January 2012, and who by his/ her signature hereto warrants that he/ she is properly authorised to sign this Agreement.

(Herein referred to as the “**CITY**”)

**AND**

---

(Name of Company)

**Registration Number:** \_\_\_\_\_

Herein represented by \_\_\_\_\_, in his/ her capacity as \_\_\_\_\_ duly authorised thereto under and by virtue of a resolution of the Board passed on \_\_\_\_\_, a copy of which is annexed as Annexure “**A**”, and who by his signature hereto warrants that he/ she is properly authorised to sign this Agreement

(Herein referred to as the “**SERVICE PROVIDER**”)

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**RECORDAL:**

**WHEREAS the City requires horticultural maintenance of various developed and semi-developed sites in the seven Regions in the City of Tshwane as-and-when required for a three year period;**

**AND WHEREAS** the City wishes to appoint the Service Provider;

**AND WHEREAS** the Service Provider wishes to provide such Services;

**AND WHEREAS** the Service Provider has indicated that it has the necessary expertise, skills and capabilities to provide the Service;

**NOW THEREFORE** the Parties have agreed to enter into this Agreement, in terms of which the Service Provider shall provide the Services in the Service Areas and/or Delivery Area and provide maintenance and support thereof, to the City in accordance with the terms and subject to the conditions of this Agreement:

## **1 DEFINITIONS**

**Unless otherwise expressly stated, or the context otherwise requires, the words and expressions listed below shall, when used in this Agreement, including this introduction, bear the meanings ascribed to them:**

- 2 “Agreement” means this service level agreement and shall include any annexures and/or schedules and/or attachments and/or appendices and/or any addenda hereto or incorporated herein by reference, as amended from time to time;**
- 3 “Business Day” means any day from Monday to Friday excluding Public Holidays as defined in the Public Holidays Act 36 of 1994 (“Public Holidays Act”) as amended from time to time;**
- 4 “Business Week” means five consecutive Business Days, excluding Public Holidays as defined in the Public Holidays Act;**
- 5 “City” means the City of Tshwane Metropolitan Municipality, a metropolitan municipality established in terms of section 12 of the Local Government: Municipal Structures Act 117 of 1998;**
- 6 “Contact Persons” means persons identified by the Parties as persons who are responsible for the execution of the Agreement and whose names are set out in clause 28 and who can be substituted in writing from time to time;**
- 7 “Contract Price” shall mean the amount reflected as the Contract Price in clause 46 below,**
- 8 “Contract Period” means the Contract Period as reflected in the Project Scope,**
- 9 “Effective Date” means the date on the Appointment Letter to be issued by the City;**
- 10 “Intellectual Property” means Patents, Designs, Know-How, Copyright and Trade Marks and all rights having equivalent or similar effect which may exist anywhere in the world, introduced and required by either Party to give effect to their obligations under this Agreement, owned in whole or in part by, or licensed to either Party prior to the Commencement Date or developed after the Commencement Date, and includes all further additions and**



**improvements to the Intellectual Property, otherwise pursuant to this Agreement;**

- 11 “Month” means a calendar month;**
- 12 “Parties” means City and Service Provider and “Party” means either of them as the context requires;**
- 13 “Services” means services to be provided by the Service Provider to the City as detailed in clause 8 below;**
- 14 “Service Provider” means**
- 
- (Name of Company),**  
**a company duly incorporated in accordance with the company laws of the Republic of South Africa with company registration number:**
- 
- 15 “Signature Date” means the date of signature of this Agreement by the Party signing last;**
- 16 “Subcontract” means any contract or Agreement or proposed contract between the Service Provider and any third party whereby**

**that third party agrees to provide to the Service Provider the Services or any part thereof;**

**17 “Subcontractor” means the third party with whom the Service Provider enters into a Subcontract;**

**18 “Tax Invoice” means the document as required by section 20 of the Value Added Tax Act 89 of 1991, as amended from time to time; and**

**19 “VAT” means Value Added Tax as defined in terms of the Value Added Tax Act of 1991.**

**20 INTERPRETATION**

**21 Headings and sub-headings are inserted for information purposes only and shall not be used in the interpretation of this Agreement.**

**22 Unless the context clearly indicates a contrary intention, any word connoting:**

**23** any singular shall be deemed to include a reference to the plural and vice versa;

**24** any one gender shall be deemed to include a reference to the other two genders; and

**25** a natural person shall be deemed to include a reference to a legal or juristic person.

**26 The expiry or termination of this Agreement shall not affect provisions of this Agreement which expressly provide that they will operate after any such expiry or termination of this Agreement. Provisions of necessity shall continue to have been effective after such expiry or termination of this Agreement, notwithstanding that the clauses themselves do not expressly provide for this.**

**27 The rule of interpretation that a written Agreement shall be interpreted against the Party responsible for the drafting or preparation of that Agreement shall not apply.**

**28 Where figures are referred to in numerals and in words and there is any conflict between the two, the words shall prevail.**

**29 Any reference to any legislation is a reference to such legislation as at the Signature Date and as amended or re-enacted, from time to time.**

**30 If any provision in a definition is a substantive provision conferring any rights or imposing any obligations on any Party, then notwithstanding that, it is only in this interpretation clause, effect**

shall be given to it as if it were a substantive provision in this Agreement.

**31 APPOINTMENT**

The City hereby appoints the Service Provider, who accepts such appointment, to provide the Services in accordance with the terms and subject to the conditions of this Agreement..

**32 PURPOSE OF THE AGREEMENT**

**33 The Purpose of this Agreement is to:**

**34** formalise and regulate the working relationship between the Parties;

**35** set out the roles and responsibilities of the Parties; and

**36** define process and procedures to be followed by the Parties.

**37 RELATIONSHIP**

Nothing in this Agreement shall constitute, or be deemed to constitute a partnership or joint venture between the Parties. Furthermore the Service Provider acknowledges and agrees that its status under this Agreement is that of an independent Service Provider and its status shall in no way be deemed to be that of an agent or employee of the City, for any purpose whatsoever, and the Service Provider shall have no authority or power to bind the City or to contract in the name of the City, or create a liability against the City in any way or for any purpose.

**38 DURATION**

This Agreement shall commence on the Effective Date, and shall subsist for a period of 3 (three) years, unless terminated earlier pursuant to clause 25 below.

**39 CONTACT PERSON**

**40** The work to be performed by the Service Provider hereunder will be supervised by the City's Contact Person.

**41** The Parties shall notify each other, in writing from time to time, of the details of their nominated Contact Person.

**42** The Contact Persons shall liaise and update each other on the progress of the Services rendered and shall endeavour to resolve and remedy any problems or disputes that may arise in relation to the Services.

**43** Either Party may substitute a Contact Person at its discretion provided that each Party shall give the other Party reasonable

**notice of such substitution and will provide replacement employees of equivalent ability.**

**44 Without derogating from the foregoing, should either Party replace a Contact Person for any reason whatsoever, it shall ensure, to the greatest extent possible in the circumstances, that the suitable period of hand-over and overlap takes place, at its cost, between the new and the encumbered Contact Person.**

**45 PROJECT SCOPE OF GENERAL SERVICES**

**The Service Provider shall, for the duration of this Agreement, provide the Services as specified in the Project Scope, set out in the tender document.**

**46 PRICE AND PAYMENT**

**47 The City shall pay to the Service Provider the Contract Price as per the items in the Appointment Letter to be issued by the City.**

**48 All payments under this Agreement shall be made by electronic fund transfer or other forms of payment as the Parties may agree from time to time, upon receipt of valid and undisputed Tax Invoices and month-end statements together with the supporting documentation from the Service Provider, once the undisputed Tax Invoices or such portion of the Tax Invoices which are undisputed become due and payable.**

**49 All amounts and other sums payable in terms of this Agreement and Schedules hereto will be stipulated exclusive of VAT, unless expressly stated otherwise.**

**50 Unless otherwise provided in the Schedules, valid Tax Invoices shall be submitted together with a month-end statement. Payment against such month-end statement shall be made by The City within 30 (thirty) days after the date of receipt by The City of the Service Provider's statement together with the relevant valid and undisputed Tax Invoice(s) and supporting documentation, but in any event not later than 90 (ninety) days of receipt of such statement.**

**51 There shall be no interest levied on a Tax Invoice that is in dispute between the Parties.**

**52 The City shall pay the amount reflected on a Tax Invoice once the City's Contact Person has verified that the Services set out in a**

**schedule have been rendered and the Tax Invoice amount has been approved by the City.**

**53 All Tax Invoices shall be addressed to the City' Contact Person.**

**54 All payments shall be transferred, by the City to the Service Provider electronically into the Service Provider's bank account, the details of which are set out below:**

Bank: \_\_\_\_\_

Account type: \_\_\_\_\_

Account No: \_\_\_\_\_

Branch No: \_\_\_\_\_

Failure to comply with the clauses above may result in late payment of the total amount of an invoice by the Service Provider to the City. The City shall not be liable for any costs or damages suffered by the Service Provider as a result of such late payment.

**55 SERVICE LEVELS**

**56 The Service Provider recognises that the City has entered into this Agreement relying specifically on the Service Provider's representations regarding service levels including, *inter alia*:**

**57** capacity allocations in accordance with the Service to be provided; and

**58** all work to be performed and Services rendered under this Agreement shall comply with industry norms and best practice acceptable within the Services industry and shall be executed by the Service Provider to the total satisfaction of the City.

**59 The Service Provider shall provide suitably qualified and trained employees to provide the Services to the City in terms of this Agreement, and shall allocate, in its discretion employee resources in accordance with the technical skill and knowledge required, provided that any exercise of such discretion by the Service Provider shall not negatively impact on the provision of the Services by the Service Provider to the City, and shall allocate**

**employees with the technical skill and knowledge onsite at the City at all times during normal working hours, if the City so requires.**

**60 Amongst others, the Service Provider shall comply with and provide the Services as set out in Clause 8 above.**

**61 WITHHOLDING OF PERFORMANCE**

**The Service Provider may not under any circumstances, including, without limitation, non-payment by the City, withhold any Services from The City during the currency of this Agreement, unless it validly terminates this Agreement in terms of clause 25 below.**

**62 PENALTY**

**63 Should the Service Provider fail to comply with its obligations in terms of this Agreement, the City may:**

**64** exercise its rights in terms of clause 24 below; alternatively

**65** impose a penalty on the Service Provider as stated hereunder in clause 12.4 below.

**66 An election of any of the above by the City shall not mean that the City has waived any other rights which the City might have in law.**

**67 Should the City elect to impose a penalty on the Service Provider, the City shall provide the Service Provider with a written notice requiring the Service Provider to remedy the default within 7 (seven) days from the date of delivery of the notice.**

**68 Should the Service Provider fail to remedy the default within 7 (seven) days after receiving the notice, then the City shall be entitled, without prejudice to any alternative or additional right of action or remedy available to the City and without further notice, impose a penalty, which penalty shall be a deduction of 10% of the monthly Contract Price for the Contract Period; and for the avoidance of doubt, the penalty amount shall be 10% of the monies**

due for payment to the Service Provider monthly in terms of clause 46 above.

69 Should there be a dispute as to whether the failure to deliver was caused by the City or was the Service Provider's fault such dispute shall be dealt with in accordance to clause 26 below.

**70 ACCESS**

71 The City shall allow the Service Provider reasonable access to its premises, provided that:

72 access is related to the Services to be provided by the Service Provider; and

73 the Service Provider adheres to all rules, regulations and instructions applicable at the City's premises.

74 The Service Provider is required to notify the City monthly of employees who are to provide Services at the Service Areas and/or Delivery Areas.

75 The City shall grant the Service Provider and/or its employees, referred in clause 74 above, access to its premises to perform its obligations in terms of this Agreement.

76 The Service Provider and its employees shall at all time when entering the premises and/or Service Areas and/or Delivery Areas of the City comply with all rules, laws, regulations and policies of the City.

**77 INSPECTION**

78 The City may at any time inspect the Service levels of the Service Provider in terms of this Agreement.

79 If the City is, at any time, dissatisfied with the service levels then the Service Provider shall, within 7 (seven) days, notify the Service Provider in writing of the failure or default.

80 The Service Provider shall immediately upon receipt of written demand by the City, remedy such failure or default, within 7 (seven) Business Days from the date of receipt of the notice, free of charge.

81 Should the Service Provider fail to remedy the failure or default referred to above then the City shall have the right to impose

**penalties as provided for in clause 12 above or invoke the provisions of clauses and/or clause 163 below.**

**82** To enable the City to determine whether the Services rendered in terms of this Agreement are being complied with the Service Provider shall:

**83** *provide the City with such information as it may reasonably require;*

**84** *allow the City to inspect and take copies of any records of the Service Provider relating to the Services, including all hardware, software, data, information, visuals, procedures, event logs, transaction logs, audit trails, books, records, contracts and correspondence;*

**85** *allow the City or its authorised representatives to conduct interviews with any of the Service Provider's employees, subject to reasonable notice being given to the Service Provider.*

**86 Service Provider to Provide Reasonable Assistance**

**87** Where any information is required for inspection in terms of this clause and the information is kept in a computer, the Service Provider shall give the City reasonable assistance required to facilitate inspection and obtain copies of the information in a visible and legible form or to inspect and check the operation of any computer and any associated apparatus or material that is or has been in use in connection with the keeping of the information.

**88** Any information required to be provided to the City pursuant to this clause 14 shall be provided by the Service Provider, as the case may be in such form (including a form otherwise than in writing) as the City may reasonably specify.

**89** The cost of any inspection contemplated in terms of this clause 14 shall be for the account of the City unless any material irregularity or failure on the part of the Service Provider is determined by the City in the course of such inspection.

**90 The inspection contemplated in this Agreement will be conducted:**

**91** during normal business hours; and

**92** save where the circumstances justify it, on reasonable notice to the Service Provider; with the minimum interference in the provision of the Services and the Service Provider's other operations.

**93 SERVICE PROVIDER'S WARRANTIES AND INDEMNITIES**



## 94 Service Warranties

- 95 The Service Provider warrants that in relation to each Service provided in terms of this Agreement:
- 96 *it has full capacity and authority to enter into and perform this Agreement, and that this Agreement is executed by duly authorised representatives of the Service Provider;*
- 97 *it possesses or has access to the requisite knowledge, skill and experience to provide the Services in an expert manner;*
- 98 *it will discharge its obligations under this Agreement and any annexure, appendix or Schedule hereto with all due skill, care and diligence;*
- 99 *all work performed and Services rendered under this Agreement shall comply with prevailing practice, standards and specifications within the industry;*
- 100 *it will be solely responsible for the payment of remuneration and associated benefits, if any, of its Personnel and for withholding and remitting income tax for its Personnel in conformance with any applicable laws and regulations;*
- 101 *the use or possession by the City of any Materials will not subject the City to any claim for infringement of any Intellectual Property Rights of any third party;*
- 102 *with promptness and diligence and in a skilful manner and in accordance with the practices and professional standards of operations while performing Services or similar to the Services;*
- 103 *which Services will in all aspects comply with industry norms and best practice to the satisfaction of the City with regard to materials and workmanship;*
- 104 *using and adopting any standards, processes and procedures required under this Agreement;*
- 105 *warranting that it shall employ suitably qualified and trained employees to provide the Services and/or Goods to the City and it shall allocate employees in accordance with the technical skill and knowledge required;*

- 106 *free from any defects in material and workmanship;*
- 107 *maintaining and causing to be maintained the highest standard of workmanship and care in undertaking the Services ;*
- 108 *maintaining and caused to be maintained the highest standard of care and diligence in providing the Services, maintenance and support; and*
- 109 *ensuring that all applicable laws are observed;*

### **110 Indemnity**

111 The Service Provider hereby indemnifies the City against any claim which may be brought against the City by the Service Provider’s personnel or a third party arising from the execution of this Agreement alternatively which arises against the City as a result of the Service Provider’s breach of any of the provisions of this Agreement, provided that the City shall notify the Service Provider in writing within a reasonable time, and in any event not less than 14 (fourteen) Business days of the City becoming aware of any such claim to enable the Service Provider to take steps to contest it and shall provide the Service Provider with such reasonable assistance as may be necessary to enable the Service Provider to defend the claim to the extent only that it is in a position to render such assistance. The Service Provider may, within 5 (five) Business Days of receipt of written notice from the City aforesaid, elect in writing to contest such a claim in the name of the City and shall be entitled to control the proceedings in regard thereto, provided that the Service Provider indemnifies the City against all and any costs (including attorney and own client costs) which may be incurred by or awarded against the City as a consequence of the defence of the claim.

## **112 THE SERVICE PROVIDER’S PERSONNEL**

### **113 Liability for Criminal Acts of Employees**

The Service Provider shall be liable to the City for any loss that the City or any third party may suffer as a result of any theft, fraud or other criminal act of any employee of the Service Provider which arises within the course and scope of such employees’ employment with the Service Provider.

### **114 Character of Employees**

**115** Due to the confidential nature of certain aspects of the Services and the position of trust which the Service Provider's employees will fulfil, the Service Provider hereby undertakes to use its best commercial endeavours to ensure that it only assigns to the City employees who are fit and proper persons and who display the highest standards of personal integrity and honesty and who have not, to their knowledge, being convicted of any crime.

**116** The Service Provider shall, at its own cost, conduct all reasonable background checks into members of its employees prior to utilizing same to provide the Services in terms of this Agreement.

**117 The City shall conduct all reasonable background checks into the Service Provider's employees from time to time, where it deems it necessary to do so.**

## **118 STATUTORY AND EMPLOYMENT ISSUES**

**119 The Service Provider shall comply with all employment legislation**

**120** The Service Provider warrants that it has full knowledge of all relevant statutory, collective and other stipulations applicable to the relationship with its personnel and its relationship with the City. This includes, but is not limited to, the Labour Relations Act, the Basic Conditions of Employment Act, 1977, the Employment Equity Act, 1998 and any other applicable employment legislation currently in force.

**121** The Service Provider warrants further that it is not and will not in future be in contravention of any of the provisions of any such legislation and in the event of such contravention, the Service Provider shall immediately take all steps to remedy such contravention. If the City advises the Service Provider of any contravention of such legislation in writing, the Service Provider shall, within 10 (ten) days after receipt of such notice, take all steps necessary to remedy such contravention and shall keep the City informed regarding the steps taken and the implementation and the result thereof.

### **122 No employment**

The Service Provider warrants that none of its personnel shall be regarded as employees of the City. The Service Provider shall assist to defend and bear all costs in the event that the City is required to defend a claim, whether civil or employment related, instituted against it by the Service Provider's personnel should the City defend the matter, the Service Provider hereby indemnifies the City against all and any costs (including attorney and own client costs) which may be incurred by or awarded against the City as a consequence of the defence of the claim.

### **123 Occupational Health and Safety Act, 1993**

The Service Provider shall be responsible for ensuring compliance with all the provisions of the Occupational Health and Safety Act, 1993 and it indemnifies the City against any claim which may arise in respect of such Act by its personnel against the City.

#### **124 SUB-CONTRACTING**

- 125 The Service Provider may not Subcontract the whole of or any portion of the Services in terms of this Agreement to any third party without the prior written consent of the City.**
- 126 In the event the Service Provider wishes to Subcontract the whole of or any portion of the Services in terms of this Agreement, it shall apply to the City in writing for consent to do so.**
- 127 In its application, the Service Provider shall give the name of the Subcontractor, the Subcontractor's obligations, the proposed date of commencement of the Subcontract which shall include the fees payable to the Subcontractor, and a report of the background security check on the Subcontractor's suitability, financial and otherwise.**
- 128 The City may, in its sole and absolute discretion refuse consent to Subcontract. In the event the City approves the Subcontracting of the whole of or any portion of the Services in terms of this Agreement, then:**
- 129** the Service Provider shall ensure that the Subcontractor's B-BBEE level is equal or better than that of the Service Provider, their price is competitive and they have the capacity to provide the Service;
- 130** such Subcontracting shall not absolve the Service Provider from responsibility for achieving the Service Levels or complying with its obligations in terms of this Agreement and the Service Provider hereby indemnifies and holds the City harmless against any loss, harm or damage which the City may suffer as a result of such Subcontracting;
- 131** the Service Provider shall at all times remain the sole point of contact for the City in respect of the acquisition of Services by the City; and
- 132** no such Subcontracting shall have any effect on the Contract Price and charges payable by the City to the Service Provider in terms of this Agreement.

#### **133 CONFIDENTIALITY**

- 134 The Service Provider acknowledge that all information relating to the City confidential business and technical information, data, documents or other information necessary or useful for the carrying on by the City of its business which shall include, but shall not be limited to operating procedures, quality control procedures,**

**approximate operation personnel requirements, descriptions and trade names and trademarks, know how, techniques, technology, information relating to clients, customers, suppliers, relevant authorities, copyright, trade secrets and all goodwill relating to the business and any other intellectual property rights, technical data and documents in whole or in part, used by the City in respect of its business; (“Confidential Information”), shall remain confidential and shall not be made known unless the City has given written consent to do so.**

**135 The information provided by the City in the context of this Agreement is Confidential Information and the Service Provider shall take all reasonable measures to keep the information confidential and will only use the information for the purpose for which it was provided.**

**136 The Service Provider undertakes to not disclose any such Confidential Information. However, there will be no obligation of confidentiality or restriction on use where:**

**137** the information is publicly available, or becomes publicly available otherwise than by action of the receiving Party; or

**138** the information was already known to the receiving Party (as evidenced by its written records) prior to its receipt under this or any previous agreement between the Parties or their affiliates; or

**139** The information was received from a third Party not in breach of an obligation of confidentiality.

#### **140 INTELLECTUAL PROPERTY RIGHTS**

**141 All Intellectual Property Rights of the Service Provider and/or third party vest in the Service Provider and/or third party, as appropriate.**

**142 All rights in the City name and logo remain the absolute property of the City.**

**143 The Service Provider warrants that no aspect of the Services provided in terms thereof will infringe any Patent, Design, Copyright, Trade Mark or trade secret or other proprietary right of any third party.**

**144 The Service Provider shall promptly notify the City, in writing, of any infringement or apparent or threatened infringement or any circumstances which may potentially give rise to an infringement, or any actions, claims or demands in relation to any Intellectual Property Rights.**

**145 In the event the City becomes aware of any such infringement, the Service Provider shall, at its cost, defend the City against any claim**

**that the Services infringe any such third party Intellectual Property Rights, provided that the City gives notice to the Service Provider of such claim and the Service Provider controls the defence thereof. The Service Provider further indemnifies the City against, and undertakes that it will pay all costs, damages and attorney fees, if any, finally awarded against the City in any action which is attributable to such claim and will reimburse the City with all costs reasonably incurred by the City in connection with any such action.**

**146 Should any claim be made against the City by any third party in terms of clause 141 above, the City shall give the Service Provider written notice thereof within 3 (three) days of becoming aware of such claim to enable the Service Provider to take steps to contest it.**

**147 Should any third party succeed in its claim for the infringement of any third party proprietary rights, the Service Provider shall, at its discretion and within 30 (thirty) days of the Services having been found to infringe, at its own cost:**

**148** obtain for the City the right to continue using the subject of infringement or the parts thereof which constitute the infringement; or

**149** replace the subject of infringement or the parts thereof which constitute the infringement with another product or service which does not infringe and which is materially similar to the subject of infringement; or

**150** alter the subject of infringement in such a way as to render it non-infringing while still in all respects operating in substantially the same manner as the subject of infringement; or

**151** withdraw the subject of infringement.

## **152 FORCE MAJEURE**

**153 For the purposes hereof, Force Majeure shall mean civil strife, riots, insurrection, sabotage, national emergency, acts of war of public enemy, rationing of supplies, flood, storm, fire or any other like forces of nature beyond the reasonable control of the party claiming Force Majeure and comprehended in the terms thereof.**

**154 If Force Majeure causes delays in or failure or partial failure of performance by a Party of all or any of its obligations hereunder, this Agreement shall be suspended for the period agreed in writing between the Parties.**

**155 In the event of circumstances arising which the other Party believes that it constitutes a Force Majeure (“the Affected Party”) then such Affected Party shall send, within 5 (five) days from the interrupting**

circumstances, a written notice of the interrupting circumstances specifying the nature and date of commencement of the interrupting event to the other Party. The Parties shall agree, in writing, to suspend the implementation of this Agreement for a specific period ("Agreed Period").

156 In the event that both Parties reasonably believe that the Affected Party shall be unable to continue to perform its obligations after the Agreed Period, then either Party shall be entitled to terminate this Agreement without further notice to the other Party.

157 The Party whose performance is interrupted by the interrupting circumstances shall be entitled, provided that such party shall have given notice to that effect with a written notice of the interrupting circumstances as provided above, to extend the period of this Agreement by a period equal to the time that its performance is so prevented.

#### 158 CESSION

The Service Provider shall not be entitled to cede or assign or transfer in any other way and/or alienate its rights and obligations in terms of this Agreement without the prior written consent of the City.

#### 159 CHANGE OF CONTROL / CIRCUMSTANCE

160 The Service Provider shall notify the City, in writing, of any change in the Service Provider's shareholding or membership or any change in the Service Provider's subsidiary companies or holding or its affiliates (such change shall be considered a material change in the constitution and identity of the Service Provider. The City may terminate this Agreement upon becoming aware of such material change.

161 The Parties agree that should there be a change as envisaged in clause 160 above, the Service Provider will no longer exist and a new third party/entity shall have been constituted. In this regard, such third party shall not be entitled to inherit any of the Service Provider's rights and obligations in terms of this Agreement, which will only be transferred to the new entity in writing by the City following the City's satisfaction and approval in writing of such new entity.

162 The Service Provider shall further notify the City of any material changes or circumstance which might have led the City to appoint the Service Provider to Provide the Goods and/or Services. In the event that any material change or circumstance occurs and the Service Provider fails to inform the City of such a change or circumstance, the Service Provider shall be deemed to have

**breached a material term of this Agreement and the City shall be entitled to cancel the Agreement on 1 (one) month's prior notice.**

**163 BREACH**

**164 Subject to clause 23.3 above, should either Party commit a breach of any term of this Agreement ("the Defaulting Party") then the affected party ("Aggrieved Party") shall be entitled to inform the Defaulting Party in writing to remedy such failure or default within 5 (five) Business Days and should the Defaulting Party fail to remedy the breach within 5 (five) Business Days after receipt of the notice the so Aggrieved Party shall be entitled, without prejudice to any of its rights under this Agreement or law to:**

**165** immediately terminate this Agreement without giving written notice and claim damages (which shall include legal costs on an attorney/client scale); or

**166** request specific performance and claim damages (which shall include legal costs on an attorney/client scale); or

**167** impose penalties as provided for in clause 12 above.

**168 EARLY TERMINATION**

**The City shall have the right to terminate this Agreement by giving 30 (thirty) days' notice in writing to the Service Provider of its intention to terminate the Agreement.**

**169 DISPUTES**

**170 Save for clause 24 above or any other clause in this Agreement which provides for its own remedy, should any dispute arise between the Parties in respect of or pursuant to this Agreement,**



**including, without limiting the generality of the foregoing, any dispute relating to:**

- 171 the interpretation of the Agreement;
  - 172 the performance of any of the terms of the Agreement;
  - 173 any of the parties' rights and obligations;
  - 174 any procedure to be followed;
  - 175 the termination or cancellation or breach of this Agreement; or
  - 176 the rectification or repudiation of this Agreement; then any Party may give the other Party written notice of such dispute, in which event the provisions below shall apply.
- 177 Within 7 (seven) days of the declaration of such dispute, the Parties representatives or their nominated persons shall meet in the spirit of goodwill and endeavour to resolve the dispute, failing which (and without prejudice to any other alternative dispute resolution to which the Parties may agree, either prior to or concurrently with arbitration) the provisions of this clause 168 above shall apply.**
- 178 If the Parties are unable to resolve the dispute within 14 (fourteen) days of the notice of the dispute (or such longer period as they may have agreed to in writing), then either Party may, on written notice to the other Party, require that the dispute be submitted to and**

**decided by arbitration, in terms of the Arbitration Act, 42 of 1965 of South Africa (“the Arbitration Act”).**

**179 The arbitration shall be held under the provisions of the Arbitration Act provided that the arbitration shall be:**

**180** at any place which the Parties agree, in writing, to be mutually convenient; and

**181** in accordance with such formalities and/or procedures as may be settled by the arbitrator and may be held in an informal and summary manner, on the basis that it shall not be necessary to observe or carry out the usual formalities of procedure, pleadings and/or discovery or respect rules of evidence.

**182 If the arbitration is:**

**183** a legal matter, then the arbitrator shall be a practicing advocate or a practicing attorney of not less than 10 (ten) years' standing;

**184** an accounting matter, then the arbitrator shall be a practicing chartered accountant of not less than 10 (ten) years' standing; and

**185** any other matter, then the arbitrator shall be any independent person agreed upon between the Parties.

**186 Should the Parties fail to agree on an arbitrator within 14 (fourteen) days after the arbitration has been demanded, then the arbitrator shall be nominated at the request of either of the Parties, by the president for the time being of the Law Society of the Northern Provinces.**

**187 Should the Parties fail to agree whether the dispute is of a legal, accounting or other nature within 7 (seven) days after the**

**arbitration has been demanded, then it shall be deemed to be a dispute of a legal nature.**

**188 The arbitrator may:**

- 189** investigate or cause to be investigated any matter, fact or thing which he considers necessary or desirable in connection with the dispute and for that purpose, shall have the widest powers of investigating all documents and records of any Party having a bearing on the dispute;
- 190** interview and question under oath the parties of any of their representatives;
- 191** decide the dispute according to what he considers just and equitable in the circumstances; and
- 192** make such award, including an award for specific performance, damages or otherwise, as he in his discretion may deem fit and appropriate. The arbitration shall be held as quickly as possible after it is requested, with a view to it being completed within thirty (30) days after it has been so requested.

**193 The arbitrator's decision and award shall be in writing with reasons and shall be final and binding upon the Parties.**

**194 The arbitrators award may, on application by either Party to a court of competent jurisdiction and after due notice is given to the other Party, be made an order of court.**

**195 Notwithstanding the provisions of clauses 26.1, 26.2, 26.3, 26.4, 26.5, 26.6 and 26.7 above, in the event of either Party having a claim against the other Party for a liquidated amount or an amount which arises from a liquid documents, or for an interdict or other urgent relief, then the other Party having such a claim shall be entitled to institute action therefore in a court of law rather than in terms of the above clauses, notwithstanding the fact that the other Party may dispute the claim.**

**196 The provisions of this clause 26 are severable from the rest of this Agreement and shall remain in effect even where this Agreement is terminated or cancelled for any reason.**

#### **197 LAWS AND JURISDICTION**

**198 This Agreement shall be governed by and interpreted according to the Law of the Republic of South Africa.**

**199 Each Party submits to the exclusive jurisdiction of the South African courts in respect of any matter arising from or in connection with this Agreement including its termination. Each**

Party further consents to the jurisdiction of the High Court of South Africa (North Gauteng High Court (Pretoria)).

**200 NOTICES AND COMMUNICATIONS**

**201** The Parties choose as their respective *domicilium citandi et executandi* (hereinafter referred to as the “*domicilium*”) and for the delivery of any notices arising out of the Agreement or its termination or cancellation, whether in respect of court process, notices or other documents or communications of whatsoever nature (including the exercise of any option), the address set out below:

**202** THE CITY:

Office of the City Manager  
Tshwane House  
2nd Floor, Block D  
320 Madiba Street  
Pretoria, 0001  
P O Box 440  
Pretoria, 0001  
Fax: 086 214 9544  
Email: [citymanager@tshwane.gov.za](mailto:citymanager@tshwane.gov.za)  
[Telephone: 012 358 4901/4](tel:01235849014)

**203** THE SERVICE PROVIDER:

Street Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Postal Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

Cell phone: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

- 204 Each Party shall be entitled from time to time, by written notice to the other Party, to vary its *domicilium* to any other address which is not a Post Office Box or a Poste Restante.**
- 205 Any notice given and any payment made by any Party to another Party (hereinafter referred to as “the addressee”) which:**
- 206** is delivered by hand during normal business hours of the addressee at the addressee’s *domicilium*, shall be deemed, until the contrary is proved by the addressee, to have been received by the addressee at the time of delivery;
  - 207** is posted by prepaid registered post to the addressee at the addressee’s *domicilium* shall be deemed, until the contrary is proved by the addressee, to have been received on the 7<sup>th</sup> (seventh) day after the date of posting; or
  - 208** is sent by email or facsimile machine shall be deemed, until the contrary is proven by the addressee, to have been received within 1 (one) hour of transmission where it is transmitted during business hours of the receiving instrument and at noon on the following business day (excluding Saturdays) where it is transmitted outside such business hours.
- 209 Any notice or communication required or permitted in terms of this Agreement shall be valid and effective only if in Writing but it shall be competent to give notice by facsimile.**
- 210 Notwithstanding anything to the contrary in this Agreement a notice or communication actually received by one Party shall be an**

**adequate notice or communication notwithstanding that it was not sent to or delivered at the chosen *domicilium citandi et executandi*.**

## **211 GENERAL AND MISCELLANEOUS**

### **212 SOLE RECORD OF AGREEMENT**

This Agreement constitutes the sole record of the Agreement between the Parties with regard to the subject matter hereof. No Party shall be bound by any express or implied term, representation, warranty, promise or the like not recorded herein.

### **213 NO AMENDMENT EXCEPT IN WRITING**

No addition to, variation of, or agreed cancellation of, this Agreement shall be of any force or effect unless in writing and signed by or on behalf of the Parties. Any alleged waiver of this requirement must itself be reduced to writing and signed by the relevant Party to be of any effect.

### **214 WAIVERS**

No relaxation or indulgence which any Party may grant to any other shall constitute a waiver of the rights of that Party and shall not preclude that party from exercising any rights which may have arisen in the past or which might arise in future.

### **215 SURVIVAL OF OBLIGATIONS**

Any provision of this Agreement which contemplates performance or observance subsequent to any termination or expiration of this Agreement shall survive any termination or expiration of this Agreement and continue in full force and effect.

### **216 APPROVALS AND CONSENTS**

An approval or consent given by a Party under this Agreement shall only be valid if in writing and shall not relieve the other Party from responsibility for complying with the requirements of this Agreement nor shall it be construed as a waiver of any rights under this Agreement except as and to the extent otherwise expressly provided in such approval or consent, or elsewhere in this Agreement. Any alleged waiver of the requirement that the approval or consent must be in writing must itself be reduced to writing and signed by the relevant Party to be of any effect.

## **217 EXECUTION**

**218 This Agreement may be executed in several counterparts, which shall each be deemed an original, but all of which shall constitute**

one and the same instrument. A facsimile shall constitute a valid counterpart for all purposes hereunder.

219 The signatories to this Agreement by their signature warrant their authority to enter into this Agreement and the capacity of their principal, if signing in a representative capacity, to enter into this Agreement.

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

Witnesses

1. ....
2. ....

\_\_\_\_\_  
**City Manager/ Acting City Manager** for and on behalf of the City of Tshwane Metropolitan Municipality, and duly authorised thereto.

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

Witnesses

1. ....
2. ....

\_\_\_\_\_  
In his capacity as  
\_\_\_\_\_  
for and on behalf of: (Name of Company)  
\_\_\_\_\_  
and duly authorised thereto.

**ANNEXURE "A"**

**RESOLUTION OF THE BOARD**

Resolution by the Board of Directors of \_\_\_\_\_  
made at a meeting held at \_\_\_\_\_ on \_\_\_\_\_ 20\_\_\_\_.

**NOTED:** THAT \_\_\_\_\_ (Company Name)

intends to enter into an Agreement with the City of Tshwane Metropolitan Municipality in terms of which \_\_\_\_\_ (Company Name) shall provide General Maintenance of all the Cemeteries and Crematorium terrain in all seven Regions as and when required for a three-year period.

on the terms and subject to the conditions, for the duration of this Agreement, provide the Services as specified in the Project Scope, set out in the tender document.

**RESOLVED:**

**THAT** \_\_\_\_\_ (Name of Company), approves and enters into the Agreement on the terms and subject to the conditions of the Agreement to which this resolution is attached.

**THAT** \_\_\_\_\_, in his/her capacity as a \_\_\_\_\_, of \_\_\_\_\_ (Name of Company), be and is hereby authorised to negotiate, settle and sign the Agreement attached hereto, and to sign all documentation and do all things necessary to give effect to the aforesaid resolutions on behalf of \_\_\_\_\_ (Name of Company).

\_\_\_\_\_  
**Read and Confirmed**  
**Chairman/Company Secretary**