



(B) QUOTATION CONDITIONS

1 General

1.1 Actions

1.1.1 The City of Cape Town (CCT) and each supplier submitting a quotation offer shall comply with these Conditions of Quotation. In their dealings with each other, they shall discharge their duties and obligations as set out in these Conditions of Quotation, timeously and with integrity, and behave equitably, honestly and transparently, comply with all legal obligations.

1.1.2 The parties agree that this quotation and its acceptance shall also be subject to the terms and conditions contained in the CCT's Supply Chain Management Policy ('SCM Policy') and the Combating Abuse of Supply Chain Management System Policy ('Abuse Policy').

1.1.3 Abuse of the supply chain management system is not permitted and may result in the quotation being rejected, cancellation of the contract, restriction of the supplier, and/or the exercise by the City of any other remedies available to it.

1.1.4 The CCT, the supplier and their agents and employees involved in the quotation process shall avoid conflicts of interest and where a conflict of interest is perceived or known, declare any such conflict of interest, indicating the nature of such conflict. Suppliers shall declare any potential conflict of interest in their quotation submissions. Employees, agents and advisors of the CCT shall declare any conflict of interest to the CCT at the start of any deliberations relating to the procurement process or as soon as they become aware of such conflict, and abstain from any decisions where such conflicts exists or recuse themselves from the procurement process, as appropriate.

1.2 Interpretation

1.2.1 The additional requirements contained in the returnable schedules are part of these Conditions of Quotation.

1.2.2 These Conditions of Quotation and returnable schedules, which are required for quotation evaluation purposes, shall form part of the contract arising from the invitation to quote

1.3 Communication during quotation process

Verbal or any other form of communication, from the CCT, its employees, agents or advisors during site visits/clarification meetings or at any other time prior to the award of the Contract, will not be regarded as binding on the CCT, unless communicated by the CCT in writing to suppliers by its Director: Supply Chain Management or his nominee.

1.4 The CCT's right to accept or reject any quotation offer

1.4.1 The CCT may accept or reject any quotation offer and may cancel the quotation process or reject all quotation offers at any time before the formation of a contract. The CCT shall not accept or incur any liability to a supplier for such cancellation or rejection, but will give written reasons for such action upon receiving a written request to do so.

1.5 Procurement procedures

Unless otherwise stated in the quotation conditions, a contract will be concluded with the supplier who scores the highest number of quotation adjudication points.

1.6 Objections, complaints, queries and disputes/ Appeals in terms of Section 62 of the Systems Act/ Access to court

1.6.1 Disputes, objections, complaints and queries

In terms of Regulations 49 and 50 of the Local Government: Municipal Finance Management Act, 56 of 2003 Municipal Supply Chain Management Regulations (Board Notice 868 of 2005):

- a) Persons aggrieved by decisions or actions taken by the CCT in the implementation of its supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint or query or dispute against the decision or action.

1.6.2 Appeals

- a) In terms of Section 62 of the Local Government: Municipal Systems Act, 32 of 2000 a person whose rights are affected by a decision taken by the City in the implementation of its supply chain management system, may appeal against that decision by giving written notice of the appeal and reasons to the City Manager within 21 days of the date of the notification of the decision.
- b) An appeal must contain the following:
- i. Must be in writing
 - ii. It must set out the reasons for the appeal
 - iii. It must state in which way the Appellant's rights were affected by the decision;
 - iv. It must state the remedy sought; and
 - v. It must be accompanied with a copy of the notification advising the person of the decision

1.6.3 Right to approach the courts and rights in terms of Promotion of Administrative Justice Act, 3 of 2000 and Promotion of Access to Information Act, 2 of 2000

The sub- clauses above do not influence any affected person's rights to approach the High Court at any time or its rights in terms of the Promotion of Administrative Justice Act (PAJA) and Promotion of Access to Information Act (PAIA).

6.1.6.4 All requests referring to this clause must be submitted in writing to:

The City Manager - C/o the Manager: Statutory Compliance Unit, Legal Services Department,
Corporate Services and Compliance Directorate

Via hand delivery at: 20th Floor, Tower Block, 12 Hertzog Boulevard, Cape Town 8001

Via post at: Private Bag X918, Cape Town, 8000

Via fax at: 021 400 5963 or 021 400 5830

Via email at: MSA.Appeals@capetown.gov.za

2 Supplier's obligations

2.1 Responsiveness Criteria

2.1.1 Suppliers are obligated to submit a quotation offer that complies in all aspects to the conditions as detailed in this quotation document. Only those quotations that comply in all aspects with the quotation conditions, specifications, pricing instructions and contract conditions will be declared responsive.

2.1.2 Submit a quotation offer

Only those quotation submissions from which it can be established that a clear, irrevocable and unambiguous offer has been made to CCT, by whom the offer has been made and what the offer constitutes, will be declared responsive.

2.1.3 CCT Supplier Database Registration

Suppliers are required to be registered on the CCT Supplier Database as a service provider prior to the acceptance of their quotation. Suppliers must register as such upon being requested to do so in writing and within the period contained in such a request, failing which their quotations will be declared non-responsive. In the case of Joint Venture partnerships this requirement will apply individually to each party of the Joint Venture.

Suppliers who wish to register on the CCT's Supplier Database may collect registration forms from the Supplier Management Unit located within the Tender Distribution Office, 2nd Floor (Concourse Level), Civic Centre, 12 Hertzog Boulevard, Cape Town (Tel 021 400 9242/3/4/5). Registration forms and related information are also available on the CCT's website www.capetown.gov.za (follow the Supply Chain Management link to Supplier registration).

It is each supplier's responsibility to keep all the information on the CCT Supplier Database updated.

2.1.3.A National Treasury Web Based Central Supplier Database (CSD) Registration

Suppliers are required to be registered on the National Treasury Web Based Central Supplier Database (CSD) as a service provider prior to the acceptance of their tender. Suppliers must register as such upon being requested to do so in writing and within the period contained in such a request, failing which their tenders will be declared non-responsive. In the case of Joint Venture partnerships this requirement will apply individually to each party of the Joint Venture.

Tenderers who wish to register on the National Treasury Web Based Central Supplier Database (CSD) may do so via the web address <https://secure.csd.gov.za>.

It is each tenderer's responsibility to keep all the information on the National Treasury Web Based Central Supplier Database (CSD) updated.

2.1.4 Compliance with requirements of CCT SCM Policy

Only those quotations that are compliant with the requirements below will be declared responsive: a)

Full name of entity submitting quotation to be provided;

- b) Identification number or company or other registration number to be provided;
- c) Tax reference number to be provided;
- d) VAT registration number (if any) to be provided;
- e) A resolution by the Directors of a registered company, or by all the members of a registered close corporation, authorising the quotation to be made and the signatory to sign the quotation on the entity's behalf to be provided (applicable schedule to be completed);
- f) Written authority from all parties of a partnership / joint venture/consortium authorising the quotation to be made and the signatory to sign the quotation on the partnership /joint venture/consortium's behalf to be provided (applicable schedule to be completed) to be completed);
- g) A copy of the partnership / joint venture / consortium agreement to be provided;
- h) A completed **Declaration of Interest – State Employees** to be provided and which does not indicate any non-compliance with the legal requirements relating to state employees (applicable schedule to be completed) to be completed);
- i) Completed **Declaration – Conflict of Interest** and **Declaration of Bidder's Past Supply Chain Management Practices** to be provided and which does not indicate any conflict or past practises that renders the quotation non-responsive (applicable schedules to be completed);
- j) A completed **Certificate of Independent Bid Determination** to be provided and which does not indicate any non-compliance with the requirements of the schedule (applicable schedule to be completed) to be completed);
- k) The supplier (including any of its directors or members), has not been restricted in terms of the Abuse Policy;
- l) The supplier's tax matters with SARS must be in order as evidenced by an original valid Tax Clearance Certificate;
- m) The supplier is not an advisor or consultant contracted with the CCT;
- n) The supplier is not a person, advisor, corporate entity or a director of such corporate entity, involved with the bid specification or specification committee.

2.1.5 Compulsory clarification meeting

Suppliers may be required to attend a clarification meeting at which Suppliers must familiarise themselves with aspects of the proposed work, services or supply and pose questions.

Details of the meeting(s) are stated in the General Quotation Information. Suppliers must arrive and sign the attendance register within 15 minutes of the official site meeting time given on the General Quotation Information page.

Only those quotations submitted by suppliers who have signed the attendance register within 15 minutes after the official site meeting time given on the General Quotation Information page will be declared responsive.

2.1.6 Additional responsiveness criteria

Only those quotations submitted by suppliers who comply with the additional quotation conditions as detailed in **Part B** of the quotation document will be declared responsive.

2.2 Cost of quotation

The CCT will not be liable for any costs incurred in the preparation and submission of a quotation offer, including the costs of any testing or samples necessary to demonstrate that aspects of the offer complies with requirements.

2.3 Check documents

The documents issued by the CCT for the purpose of a quotation offer are listed in the index of this quotation document.

Before submission of any quotation, the Supplier should check the number of pages, and if any are found to be missing or duplicated, or the figures or writing is indistinct, or if the Price Schedule contains any obvious errors, the Supplier must apply to the CCT at once to have the same rectified.

2.4 Confidentiality and copyright of documents

Treat as confidential all matters arising in connection with the quotation. Use and copy the documents issued by the CCT only for the purpose of preparing and submitting a quotation offer in response to the invitation.

2.5 Reference documents

Obtain, as necessary for submitting a quotation offer, copies of the latest versions of standards, specifications, Conditions of Contract and other publications, which are not attached but which are incorporated into the quotation documents by reference.

2.6 Acknowledge and comply with notices

Acknowledge receipt of notices to the quotation documents, which the CCT may issue, fully comply with all instructions issued in the notices, and if necessary, apply for an extension of the closing time stated on the front page of the quotation document, in order to take the notices into account. Notwithstanding any requests for confirmation of receipt of notices issued, the supplier shall be deemed to have received such notices if the CCT can show proof of transmission thereof via electronic mail, facsimile or registered post.

2.7 Seek clarification

Request clarification of the quotation documents, if necessary, by notifying the CCT before the closing time stated in the General Quotation Information, where possible.

2.8 Alterations to documents

Do not make any alterations or additions to the quotation documents, except to comply with instructions issued by the CCT, or necessary to correct errors made by the supplier. All signatories to the quotation offer shall initial all such alterations.

2.9 Submitting a quotation offer

2.9.1 Submit one quotation offer only on the quotation documents as issued by the CCT, either as a single entity or as a member in a joint venture to provide the whole of the works, services or supply identified in the contract conditions and described in the specifications.

2.9.2 Only those quotations submitted on the quotation documents as issued by the CCT together with all Returnable Schedules duly completed and signed will be declared responsive.

2.9.3 Return the required parts of the document to the CCT after completing it in its entirety, either electronically (if they were issued in electronic format) or by writing legibly in non-erasable ink.

2.9.4 Sign the original of the quotation offer where required in terms of the quotation conditions. The quotation shall be signed by a person duly authorised to do so. Quotations submitted by joint ventures of two or more firms shall be accompanied by the document of formation of the joint venture or any other document signed by all parties, in which is defined precisely the conditions under which the joint venture will function, its period of duration, the persons authorised to represent and obligate it, the participation of the several firms forming the joint venture, and any other information necessary to permit a full appraisal of its functioning. Signatories for suppliers proposing to contract as joint ventures shall state which of the signatories is the lead partner.

2.9.5 By signing the offer part of the Form of Offer (**Part 2**) the supplier warrants that all information provided in the quotation submission is true and correct.

2.9.6 Quotations must be properly submitted as detailed on the General Quotation Information page of the quotation document on or before the closing date and time. If the quotation submission is too large to fit in the allocated box, please enquire at the public counter for assistance.

2.10 Information and data to be completed in all respects

Accept that quotation offers, which do not provide all the data or information requested completely and in the form required, may be declared non-responsive.

2.11 Closing time

2.11.1 Ensure that the CCT receives the quotation offer prior to the closing time stated on the front page of the quotation document.

2.11.2 Accept that, if the CCT extends the closing date or time stated on the front page of the quotation document for any reason, the requirements of these Conditions of Quotation apply equally to the extended deadline.

2.11.3 Accept that, the CCT shall not consider quotations that are received after the closing date and time for such a quotation (late quotations).

2.12 Quotation offer validity and withdrawal of quotations

2.12.1 Warrants that the quotation offer(s) remains valid, irrevocable and open for acceptance by the CCT at any time for a period of 60 days after the closing date stated on the front page of the quotation document.

2.12.2 Notwithstanding the period stated above, the quotation shall be deemed to remain valid, irrevocable and open for acceptance until formal acceptance by the CCT at any time after the expiry of the original validity period, unless the CCT is notified in writing of anything to the contrary (including any further conditions) by the supplier. Any further conditions introduced by the supplier will be considered at the sole discretion of the CCT.

2.12.3 A supplier may request in writing, after the closing date, that the quotation offer be withdrawn. Such withdrawal will be permitted or refused at the sole discretion of the CCT after consideration of the reasons for the withdrawal, which shall be fully set out by the supplier in such written request for withdrawal. Should the quotation offer be withdrawn in contravention hereof, the supplier agrees that:

- a) it shall be liable to the CCT for any additional expense incurred or losses suffered by the CCT in having either to accept another quotation or, if new quotations have to be invited, the additional expenses incurred or losses suffered by the invitation of new quotations and the subsequent acceptance of any other quotation;
- b) the CCT shall also have the right to recover such additional expenses or losses by set-off against monies which may be due or become due to the supplier under this or any other quotation or contract.

2.13 Clarification of quotation offer, or additional information, after submission

Provide clarification of a quotation offer, or additional information, in response to a written request to do so from the CCT during the evaluation of quotation offers within the time period stated in such request.

Note: This clause does not preclude the negotiation of the final terms of the contract with a preferred supplier following a competitive selection process, should the CCT elect to do so.

Failure, or refusal, to provide such clarification or additional information within the time for submission stated in the CCT's written request may render the quotation non-responsive.

2.14 Provide other material

2.14.1 Provide, on request by the CCT, any other material that has a bearing on the quotation offer, the supplier's commercial position (including joint venture agreements), preferencing arrangements, or samples of materials, considered necessary by the CCT for the purpose of the evaluation of the quotation. Should the supplier not provide the material, or a satisfactory reason as to why it cannot be provided, by the time for submission stated in the CCT's request, the quotation offer will be declared non-responsive.

2.15 Samples, Inspections, tests and analysis

Provide access during working hours to premises for inspections, tests and analysis as provided for in the quotation conditions or specifications.

If the Specifications require the supplier to provide samples, these shall be provided strictly in accordance with the instructions set out in the Specification.

If such samples are not submitted as required in the bid documents or within any further time stipulated by the CCT in writing, then the bid concerned may be declared non-responsive.

2.16 Certificates

The supplier must provide the CCT with all certificates as stated below:

Suppliers are further referred to the content of **Schedule 4: Preference Schedule** for the full terms and conditions applicable to the awarding of preference points.

2.16.2 Evidence of tax compliance

Suppliers shall be registered with the South African Revenue Service (SARS) and their tax affairs must be in order and they must be tax compliant. In this regard, it is the responsibility of the Supplier to submit evidence in the form of a valid Tax Clearance Certificate issued by SARS to the CCT at the Supplier Management Unit located within the Tender Distribution Office, 2nd Floor (Concourse Level), Civic Centre, 12 Hertzog Boulevard, Cape Town (Tel 021 400 9242/3/4/5), or included with this quotation. The Supplier must also provide its Tax Compliance Status PIN number on the **Details of Supplier** page of the tender submission.

Each party to a Consortium/Joint Venture shall submit a separate Tax Clearance Certificate.

2.17 Compliance with Occupational Health and Safety Act, 85 of 1993

Suppliers are to note the requirements of the Occupational Health and Safety Act, 85 of 1993. The Supplier shall be deemed to have read and fully understood the requirements of the above Act and Regulations and to have allowed for all costs in compliance therewith.

In this regard the Supplier shall submit **upon written request to do so by the CCT**, a Health and Safety Plan in sufficient detail to demonstrate the necessary competencies and resources to deliver the goods all in accordance with the Act, Regulations and Health and Safety Specification.

2.18 Claims arising from submission of quotation

The supplier warrants that it has:

- a) inspected the Specifications and read and fully understood the Conditions of Contract;
- b) read and fully understood the whole text of the Specifications and Price Schedule and thoroughly acquainted himself with the nature of the goods proposed and generally of all matters which may influence the Contract;
- c) visited the site(s) where delivery of the proposed goods will take place, carefully examined existing conditions, the means of access to the site(s), the conditions under which the delivery is to be made, and acquainted himself with any limitations or restrictions that may be imposed by the Municipal or other Authorities in regard to access and transport of materials, plant and equipment to and from the site(s) and made the necessary provisions for any additional costs involved thereby;
- d) requested the CCT to clarify the requirements contained in the Specifications and Price Schedule, the exact meaning or interpretation of which is not clearly intelligible to the Supplier; and
- e) received any notices to the quotation documents which have been issued in accordance with the CCT's SCM Policy.

The CCT will therefore not be liable for the payment of any extra costs or claims arising from the submission of the quote.

3 The CCT's undertakings

3.1 Respond to requests from the supplier

3.1.1 Unless otherwise stated in the Quotation Conditions, respond to a request for clarification received as soon as possible before the quotation closing time stated on the front page of the quotation document and notify all suppliers who drew procurement documents.

3.1.2 The CCT's representative for the purpose of this quotation is stated on the General Quotation Information page.

3.2 Issue Notices

If necessary, issue notices that may amend or amplify the quotation documents to each supplier during the period from the date the quotation documents are available until 48 hours (where possible) before the quotation closing time stated on the front page of the quotation document. If, as a result a supplier applies for an extension to the closing time stated on the front page of the quotation document, the CCT may grant such extension and, shall then notify all suppliers who drew documents.

Notwithstanding any requests for confirmation of receipt of notices issued, the supplier shall be deemed to have received such notices if the CCT can show proof of transmission thereof via electronic mail, facsimile or registered post.

3.3 Receiving / Opening of quotation submissions

3.3.1 Quotations will be received, opened, announced, recorded and published in the manner described in the Special Quotation Conditions.

3.4 Non-disclosure

Not disclose to suppliers, or to any other person not officially concerned with such processes, information relating to the evaluation and comparison of quotation offers and recommendations for the award of a contract, until after the award of the contract to the successful supplier.

3.5 Grounds for rejection and disqualification

Determine whether there has been any effort by a supplier to influence the processing of quotation offers and instantly disqualify a supplier (and his quotation offer) if it is established that he engaged in corrupt or fraudulent practices.

3.6 Test for responsiveness

3.6.1 Determine, after opening and before detailed evaluation, whether each quotation offer properly received:

- a) complies with the requirements of these Conditions of Quotation,
- b) has been properly and fully completed and signed, and
- c) complies with the other requirements of the quotation document.

3.6.2 A responsive quotation is one that conforms to all the terms, conditions, and specifications of the quotation documents without material deviation or qualification. A material deviation or qualification is one which, in the CCT's opinion, would:

- a) detrimentally affect the scope, quality, or performance of the works, services or supply identified in the Specifications, or
- b) significantly change the CCT's or the supplier's risks and responsibilities under the contract.

Reject a non-responsive quotation offer, and not allow it to be subsequently made responsive by correction or withdrawal of any material deviation or qualification.

3.7 Arithmetical errors, omissions and discrepancies

3.7.1 Check the highest ranked bid or bidder with the highest number of evaluation points after the evaluation of bids for:

- a) the gross misplacement of the decimal point in any unit rate;
- b) omissions made in completing the pricing schedule or bills of quantities; or
- c) arithmetic errors in:
 - i) line item totals resulting from the product of a unit rate and a quantity in bills of quantities or schedules of prices; or
 - ii) the summation of the prices.
 - iii) calculation of individual rates.

3.7.2 The CCT must correct the arithmetical errors in the following manner:

- a) Where there is a discrepancy between the amounts in words and amounts in figures, the amount in words shall govern.
- b) If bills of quantities or pricing schedules apply and there is an error in the line item total resulting from the product of the unit rate and the quantity, the line item total shall govern and the rate shall be corrected. Where there is an obviously gross misplacement of the decimal point in the unit rate, the line item total as quoted shall govern, and the unit rate shall be corrected.
- c) Where there is an error in the total of the prices either as a result of other corrections required by this checking process or in the bidder's addition of prices, the total of the prices shall govern and the bidder will be asked to revise selected item prices (and their rates if bills of quantities apply) to achieve the bided total of the prices.

Consider the rejection of a bid if the bidder does not correct or accept the correction of the arithmetical error in the manner described above.

3.8 Clarification of a quotation offer

The CCT may, after the closing date, request additional information or clarification from Suppliers, in writing on any matter affecting the evaluation of the quotation offer or that could give rise to ambiguity in a contract arising from the quotation offer.

3.9 Evaluation of quotation offers

3.9.1 General

Reduce each responsive quotation offer to a comparative price and evaluate them using the quotation evaluation methods and associated evaluation criteria and weightings that are specified in the quotation conditions.

3.9.2 Decimal places

Score financial offers, preferences and functionality, as relevant, to two decimal places.

3.9.3 Scoring of quotations (price and preference)

3.9.3.1 Points for price will be allocated in accordance with the formula set out in this clause based on the quotation sum / amount as set out in the **Price Schedule (Part 3)**.

3.9.3.2 Points for preference will be allocated in accordance with the provisions of **4.1: Preference point system** below.

3.9.3.3 The terms and conditions of **4.1 Preference Points System** as it relates to preference shall apply in all respects to the quotation evaluation process and any subsequent contract.

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

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

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

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

4.3 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and SPECIFIC GOALS	100

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

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

5 DEFINITIONS

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

6 FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

6.1 POINTS AWARDED FOR PRICE

6.1.1 THE 80/20 PREFERENCE POINT SYSTEMS

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

80/20

$$Ps = 80 \left(1 - \frac{Pt - P \min}{P \min} \right)$$

Where

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

6.2 FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

POINTS AWARDED FOR PRICE

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

80/20

$$Ps = 80 \left(1 + \frac{Pt - Pmax}{Pmax} \right)$$

Where

Ps	=	Points scored for price of tender under consideration
Pt	=	Price of tender under consideration
Pmax	=	Price of highest acceptable tender

7 POINTS AWARDED FOR SPECIFIC GOALS

7.1 In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

7.2 In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
- (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

No	specific goals allocated points	Supporting Evidence	Preference Points
1	Promotion of Micro and Small Enterprises	B-BBEE Certificate / Commissioned affidavit or Annual Financial Statements	10
2	Gender (ownership) - Persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of gender are women.	CSD Registration report B-BBEE Certificate / Commissioned affidavit CIPC Certificate	10

7.3 The information submitted on behalf of the company/firm, to certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown under the following conditions:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

The application of an 80/20 preference point system for procurement (competitive bids or quotations) with a Rand value of greater than R2000 but less than or equal to R50 000 000 will apply;

7.3.1 Risk Analysis

Notwithstanding compliance with regard to any requirements of the quotation, the CCT will perform a risk analysis in respect of the following:

- a) reasonableness of the financial offer;
- b) reasonableness of unit rates and prices;
- c) the supplier's ability to fulfil its obligations in terms of the quotation document, that is, that the supplier can demonstrate that it possesses the necessary professional and technical qualifications, professional and technical competence, financial resources, equipment and other physical facilities, managerial capability, reliability, capacity, experience, reputation, personnel to perform the contract, etc.; the CCT reserves the right to consider a supplier's existing contracts with the CCT in this regard.

No supplier will be recommended for an award unless the supplier has demonstrated to the satisfaction of the CCT that it has the resources and skills required.

7.4 Negotiations with preferred suppliers

The CCT may negotiate the final terms of a contract with suppliers identified through a competitive quotation process as preferred suppliers provided that such negotiation:

- a) does not allow any preferred supplier a second or unfair opportunity;
- b) is not to the detriment of any other supplier; and
- c) does not lead to a higher price than the quotation as submitted.

If negotiations fail to result in acceptable contract terms, the CCT may terminate the negotiations and invite the next ranked supplier for negotiations. The original preferred supplier should be informed of the reasons for termination of the negotiations. Once negotiations are commenced with the next ranked supplier, the CCT will not re-open earlier negotiations.

Minutes of any such negotiations must be kept for record purposes.

The provisions of this clause will be equally applicable to any invitation to negotiate with any other suppliers.

7.5 Acceptance of quotation offer

Notwithstanding any other provisions contained in the quotation document, the CCT reserves the right to:

7.5.1 Accept a quotation offer which does not, in the CCT's opinion, materially and/or substantially deviate from the terms, conditions, and specifications of the quotation document.

7.5.2 Accept the whole quotation or part of a quotation or any item or part of any item, or to accept more than one quotation (in the event of a number of items being offered), and the CCT is not obliged to accept the lowest or any quotation.

7.5.3 Accept the quotation offer, only if in the opinion of the CCT, the supplier:

- a) can demonstrate that it has the necessary resources and skills to fulfil its obligations in terms of the quotation document,
- b) does not pose any commercial or legal risk to the CCT,
- c) is not currently subject to action in accordance with the Abuse Policy.

7.5.4 Notice to successful and unsuccessful suppliers

7.5.5 The CCT shall publish all awards on the Electronic Bulletin Board: www.capetown.gov.za

7.6 Provide written reasons for actions taken

Provide upon request, written reasons to suppliers for any action that is taken in applying these Conditions of Quotation, but withhold information which is not in the public interest to be divulged, which is considered to prejudice the legitimate commercial interests of suppliers or might prejudice fair competition between suppliers.