



INDEPENDENT DEVELOPMENT TRUST

TERMS OF REFERENCE

PROCUREMENT OF A RISK MANAGEMENT AND SHORT-TERM INSURANCE INTERMEDIARY SERVICE PROVIDER TO PROVIDE THE FOLLOWING COVER(S) FOR INDEPENDENT DEVELOPMENT TRUST (IDT): BOARD OF DIRECTORS AND OFFICERS LIABILITY, AND OR EMPLOYERS PRACTICE LIABILITY AS WELL AS ALL MOVABLE/ IMMOVABLE ASSETS:

LOCATION OF ASSETS: HEAD OFFICE AND REGIONS

TENDER NUMBER: IDT/CSU/HR/01/04/2023/26

CLOSING DATE: 26 April 2022 @ 12H00 Revised Closing Date: 06 May 2022

TENDER VALIDITY PERIOD: 90 Days From Date of Closing

LATE TENDERS: WILL NOT BE ACCEPTED

BRIEFING SESSION: NOT APPLICABLE

NAME OF TENDER: _____

NAME OF DULY AUTHORIZED PERSON: _____

ADDRESS: _____

TEL/ CELL NUMBER: _____

E-MAIL : _____

CSD NUMBER : _____

ISSUED BY: Independent Development Trust

Glenwood Office Park, cnr. Oberon & Sprite Streets, Faerie Glen, Pretoria

Tel: 0128452000 | **E-mail:** @idt.org.za

Contact person: Ms Moketenjana Moleko

SBD 1

PART A

INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE INDEPENDENT DEVELOPMENT TRUST				
BID NUMBER:	IDT/CSU/HR/01/04/2023/26	CLOSING DATE:	26 April 2022	CLOSING TIME: 12h00
DESCRIPTION	PROJECT NAME: PROCUREMENT OF A RISK MANAGEMENT AND SHORT-TERM INSURANCE INTERMEDIARY SERVICE PROVIDER TO PROVIDE THE FOLLOWING COVER(S) FOR INDEPENDENT DEVELOPMENT TRUST (IDT): BOARD OF DIRECTORS AND OFFICERS LIABILITY, AND OR EMPLOYERS PRACTICE LIABILITY AS WELL AS ALL MOVABLE/ IMMOVABLE ASSESTS.			
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED				
Glenwood Office Park, Cnr Oberon & Sprite Streets, Faerie Glen Pretoria, 0043 Tel: 0128452000				
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:	
CONTACT PERSON	SCM: Mr. Sam Makhura		CONTACT PERSON	Ms. Moketenyana Moleko
TELEPHONE NUMBER			TELEPHONE NUMBER	
FACSIMILE NUMBER			FACSIMILE NUMBER	
E-MAIL ADDRESS	SamM@idt.org.za		E-MAIL ADDRESS	MoketenyanaM@idt.org.za
SUPPLIER INFORMATION				
NAME OF BIDDER				
POSTAL ADDRESS				
STREET ADDRESS				
TELEPHONE NUMBER	CODE		NUMBER	
CELLPHONE NUMBER				
FACSIMILE NUMBER	CODE		NUMBER	
E-MAIL ADDRESS				
VAT REGISTRATION NUMBER				
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT : Not compulsory	[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No

[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) WILL NOT BE COMPALSURY SINCE BIDDERS WILL NOT BE EVALUATED ACCORDING TO THE B-BBEE POINTS SYSTEM .			
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 THE QUESTIONNAIRE BELOW]
QUESTIONNAIRE TO BIDDERS FOREIGN SUPPLIERS			
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?		<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?		<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?		<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?		<input type="checkbox"/> YES <input type="checkbox"/> NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?		<input type="checkbox"/> YES <input type="checkbox"/> NO	
IF THE ANSWER IS “NO” TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.			

PART B

TERMS AND CONDITIONS FOR BIDDING

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

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

(Proof of authority must be submitted e.g. company resolution if there is more than one Director/member)

DATE:

THE SCOPE OF WORK WILL BE AS FOLLOWS:**A) PLACEMENT OF IDT'S INSURANCE PORTFOLIO**

Regarding the placement of IDT's insurance portfolio, the appointed Service Provider will be required to perform the following:

- Assess IDT's insurance requirements as reflected in the Tender Specification.
- Collect updated information from IDT with regard to the latest insurance statistics and submit this information to the Insurance Underwriters.
- Negotiate with the Insurance Underwriters on suitable insurance terms and premiums based on the quotations submitted by the Service Provider with the tender document submitted. The updated claims experience of IDT would also need to be taken into consideration in obtaining the final quotation from the Insurance Underwriters as discussed within point 12 on page 6.
- Attend insurance pre-placement meeting/s with IDT to discuss the underwriting terms and premiums. It will be necessary for the Local Senior Manager (or equivalent) and Local Accounts Executive (or equivalent) to attend these meetings.
- Advise IDT and provide quotations on additional insurance covers that could be necessary for IDT to take out to ensure that IDT's risk is minimized.
- Place IDT's insurance portfolio with the Insurance Underwriters

B) UNDERWRITING ADMINISTRATION

Regarding the underwriting administration functions the appointed Service Provider will be required to perform the following:

- Provide quotations on any additional insurance cover required by IDT and place the insurance cover with the Insurance Underwriters on IDT's instruction and provide IDT with written confirmation thereof together with details of the insurance cover placed.
- Meet with IDT Officials whenever required by either party to discuss and advise on insurance cover. Based on past experience approximately 6 meetings are expected to take place during the year to resolve certain insurance issues. However, it may be necessary to hold more/fewer meetings depending on circumstances. The Service Providers staff members required at these meetings will depend on the technicality of the issues to be discussed. Based on past experience the Local Senior Manager (or equivalent) and/or the Local Accounts Executive (or equivalent) are expected to attend these meetings.

C) CLAIMS ADMINISTRATION

Regarding the claims administration functions the appointed Service Provider will be required to perform the following:

- Administer all IDT insurance claims which fall under the insurance policy.
- Meet with IDT Officials individually or in groups to discuss and provide advice on insurance claims.
- Submit half yearly updated reports on all IDT claims statistics.
- Meet with IDT Officials whenever required by either party to discuss and advise on insurance claims. However, it may be necessary to hold more/fewer meetings depending on circumstances. The Service Providers staff members required at these meetings will depend on the technicality of the issues to be discussed. Based on past experience the

Local Senior Manager (or equivalent) and/or the Local Accounts Executive (or equivalent) are expected to attend these meetings.

D) RENEWAL/PLACEMENT OF IDT'S INSURANCE PORTFOLIO

Regarding the renewal of IDT's insurance portfolio prior to each financial year the appointed Service Provider will be required to perform the following:

- Assess IDT's insurance requirements as reflected in IDT's insurance policy.
- Collect updated information from IDT with regards to the latest insurance statistics and submit this information to the Insurance Underwriters.
- Negotiate with the Insurance Underwriters on suitable insurance terms and premiums based on IDT's existing insurance cover and the updated claim experience of IDT.
- Attend insurance pre-renewal meeting(s) with IDT to discuss the underwriting terms and premiums. It will be necessary for the Local Senior Manager (or equivalent) and Local Accounts Executive (or equivalent) to attend these meetings.
- Advise IDT and provide quotations on additional insurance cover that could be necessary for IDT to take out to ensure that IDT's risk is minimized.
- Renew IDT's insurance portfolio with the Insurance Underwriters and provide IDT with written confirmation thereof together with details of the insurance covers.

LIABILITY POLICIES	Limit of Indemnity / Deductible
Directors and Officers Liability	
Covers directors or officers of a company if they are sued in their personal capacity	
Number of Insured members:	
- Board Members:	
- Executive Directors:	
- Officers:	
Limit of Indemnity	R 10,000,000
Deductible	R 10,000
Employers' Practice Liability	
Covering Company for wrongful acts arising from the employment processes	
Limit of Indemnity	R 10,000,000
Deductible	R 10,000

MOVABLE AND NON-MOVABLE ASSETS

List of all current movable and non-movable assets. Please note that verification of assets may be concluded to ascertain the updated book values to ensure that real assets values are insured

ASSET LISTING PER REGION				
Asset Class	Quantity	Cost	Accumulated Deprecia	Carrying Value
CANTEEN	69	228,844.18	214,576.87	14,267.31
COMP EQUIP	873	11,597,845.62	9,472,914.37	2,124,931.25
COMP SOFT	18	5,082,105.06	5,082,105.06	-
FURN & FITT	1994	9,290,413.38	8,403,538.00	886,875.38
LAND & BLDGS	6	73,046,600.00	-	73,046,600.00
LEASE EQUIP	69	5,467,324.06	4,806,430.39	660,893.67
MECHANIC EQUIP	4	363,899.05	270,484.28	93,414.77
OFFICE EQUIP	281	9,763,694.79	9,447,092.91	316,601.88
VEHICLES	3	613,445.47	610,853.05	2,592.42
Grand Total	3317	62,807,571.61	40,374,599.23	22,432,972.38
		178,261,743.22	78,682,594.16	99,579,149.06

MANDATORY AND NON-MANDATORY REQUIREMENTS

NO	MANDATORY COMPLIANCE CRITERIA	NON-MANDATORY COMPLIANCE CRITERIA
1	Proof of CSD Registration prior to award	ID copies of Director/s
2	Proof of authority to sign the document must be submitted e.g. company resolution. (Only if company has more than one Director/member)	CIPC, Company registration document
3	Bidders to provide the following: Proof of valid registration with the Financial services board (FSB), Financial intermediaries association(FIA) and the Institute of Risk Management South Africa (IRMSA)	A bidder is encouraged to submit proof of B-BBEE status level of contributor Valid copy of a sworn affidavit. A tenderer failing to submit proof of B-BBEE status level of contribution or is a non-compliant contributor to B-BBEE will not be disqualified, The Minister of Finance has granted IDT an exemption from the provisions of the PPPFA and regulations. The bidder will not be allocated BBBEE points in terms of section 3(c) of the PPPFA but will be evaluated according to mandatory, functionality and pricing only.

4	Duly completed and signed Invitation to BID, Part A and B (SBD 1)	Proof of address
5	Duly completed Bidder's Declaration (SBD 4) . All blanks' spaces must be completed. Bidders to indicate items that are not applicable.	Tax pin/ TCS certificate
8	A valid proof of R100 000 000 (100 million Rands) and above for the Professional Indemnity insurance	
9	No copies of the original tender document to be submitted, no correctional fluids, erasable pen or a lead pencil will be used on any of the submitted forms. Only black ink must be used to complete documents. Any mistakes must be neatly crossed out and countersigned by all relevant parties.	
	Annual Financial Statements of the Service Provider for the past 3 years as well as Annual Financial Statements of the Main Proposed Underwriter for the past 3 years.	

FUNCTIONAL CRITERIA

Tenderers are required to score minimum points of 70 for Functionality stated in tender data. Tenderers who fail to meet the required minimum number of points for functionality stated in the tender data will not be evaluated further for pricing and BBBEE.

Variables	Total Points	Criteria	Description Of Criteria	Points
<u>Functionality Points</u>	100			
Experience on similar short term insurance cover.	50	10 reference letters	The Service Provider must have reference letters (contactable) which includes previous experience in providing similar short-term insurance and technical support.	50
		6 -9 reference letters		30
		3-5 reference letters		15
		1-2 reference letters		5
		No reference letters		0
Qualification and experience of Senior Manager: (Attach CV)	15	10 years' experience and above with relevant qualification	A Local Senior Manager to provide technical and advisory support to the Local Accounts Executive; the Local Claims Technician and to IDT with AIISA (Associate of the Insurance Institute of South Africa) insurance qualification or equivalent plus 10 years' relevant experience.	20
		6-9 years with qualification		12
		3-5 with qualification		8
		1-2 with qualification		4
		No Years of experience and qualification		0
Qualification and experience of Accounts Executive (Attach CV)	15	10 years and above with qualification	A Local Accounts Executive or equivalent to administer IDT's insurance portfolio; provide technical and administrative support to IDT (including obtaining quotations for new covers and the placing of the covers with the relevant insurer). Must have passed level 1 of the FAIS (Financial Advisory and Intermediary Services) regulatory exams and having a HCil (Higher Certificate in	20
		6-9 years with qualification		12
		3-5 with qualification		8
		1-2 with qualification		4
		No Years of experience and qualification		0

Variables	Total Points	Criteria	Description Of Criteria	Points
			Insurance) insurance qualification or equivalent plus 10 years' experience.	
Methodology and processes to be followed when administering a claim	20	Risk assessment: Satisfactory procedure followed in dealing with claims and the end-to-end claims procedure.	A thorough and detailed methodology on how the Bidder is going to administer IDT's claims. Risk assessment: A need assessment conducted, and adequate information gathered. A structured and feasible claims turn-around time.	20
		Risk assessment: Inadequate procedure followed in dealing with claims and the end-to-end claims procedure		5
		No methodology submitted		0

Note: IDT reserves the right to conduct a risk assessment which is based on pricing, turnaround time for claims, as well as the methodology given by the service provider.

PRICING

Service Providers must provide a copy of the underwriter quotations as proof of the cost of the Underwriter Premium.

Kindly ensure that the Total Underwriting Premium Cost to IDT (including VAT) is in respect of the total insurance cover for IDT's insurance portfolio as detailed under the heading "Insurance Facts and Figures.

Once the tender has been awarded to the Service Provider, the Service Provider must place IDT's insurance portfolio with the quoted underwriters. The final insurance underwriting cost must be based on the original quoted price plus any appropriate premium adjustment.

An appropriate adjustment in the Premium and/or Inner Excesses/Deductibles will only be accepted if there has been an adverse increase in IDT's insurance claims within the 5-year period. However, if there was an adverse increase in insurance claims during this period, these increases must be averaged over the 5 years to determine an acceptable adjustment (IDT is to determine whether this adjustment is acceptable).

Should there be a dispute with regard to the underwriting premium that cannot be resolved, IDT reserves the right to appoint an independent party to evaluate and advise whether the revised underwriting premium is justified or not.

PROFESSIONAL INDEMNITY COVER: AMOUNT OF R100 000 000

INDEMNITY COVER FEE	Pricing for professional indemnity cover of R100 000 000		
	Annual insurance fee (Excluding VAT)	Monthly insurance fee (excluding VAT)	Total annual amount including VAT
Broker fee/ Intermediary fee	R	R	R
Administration fee	R	R	R
Underwriter's fee	R	R	R
TOTAL			R

IDT'S MOVABLE ASSETS COVER: Kindly refer to movable and immovable asset register annexures.

INDEMNITY COVER FEE	Pricing for all movable and immovable assets			Total annual amount including VAT
	Monthly insurance fee (Excluding VAT)	Annual insurance fee (excluding VAT)	Annual VAT amount	
Broker fee/ Intermediary fee	R	R	R	R
Administration fee	R	R	R	R
Underwriter's fee	R	R	R	R
TOTAL				R

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ in the enterprise, employed by the state? **YES/NO**

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

Full Name	Identity Number	Name of State institution

2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

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

2.2.1 If so, furnish particulars:

.....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract?
YES/NO

2.3.1 If so, furnish particulars:

.....

3 DECLARATION

I, _____ the _____ undersigned, (name)..... in submitting the accompanying bid, do hereby make the following statements that I certify to be true and complete in every respect:

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 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 consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and

² 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.

possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

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

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature	Date
.....
Position	Name of bidder

INTRODUCTION

WHEREAS the Independent Development Trust (“IDT”) made an Offer of Appointment, and the Insurer has accepted such appointment subject to the conditions stipulated in the aforesaid Offer of Appointment Letter, which conditions include signing of the Agreement, (Hereinafter referred to as “Main Agreement”).

AND WHEREAS, this addendum shall form part of the Main Agreement between the Employer and the Insurer.

1. *ADDENDUM TO THE MAIN AGREEMENT*

1.1 This Agreement will constitute an Addendum to the Main Agreement as contemplated herein;

1.2 The Terms of Reference, Accepted Proposal or Tender, Standard Conditions of Tender, Special Conditions of Tender and adjusted Price shall form part of the agreement between the Insurer and the Employer;

1.3 This Addendum will be deemed to incorporate, with or without variation, all the provisions of the Main Agreement, unless the context clearly requires otherwise;

1.4 All words and phrases used in this Addendum which are defined in the Main Agreement, will bear the same meaning assigned to them in the Main Agreement; and

1.5 All references in the Main Agreement to “the/this Agreement” itself, will be deemed to be references also to the Main Agreement duly amended by this Addendum.

1.6 **Interpretations and Definition**

1.6.01 **Financial Implications** shall mean the variation amount over and above the awarded contract sum.

2. **SPECIAL CONDITIONS**

If there is any conflict between the contents or any part of this Addendum and the contents or any part of the Main Agreement and other annexures, the content of this Addendum shall prevail.

3. **WAIVER OF CONTRACTOR’S LIEN**

- 3.1 The Insurer hereby waives, in favour of the Employer, any lien or right of retention that is or may be held in respect of the Works to be executed on the Site.
- 3.2 The Employer, as an Organ of State, shall not be required to provide payment guarantees.

4. ASSIGNMENT OF RIGHTS OR OBLIGATIONS

- 4.1 Neither **party** shall assign or cede rights or obligations without the written consent of the other **party**, which consent shall not be unreasonable withheld.
- 4.2 Where the Insurer intend to cede any right to monies due or to become due under this agreement as security in favour of a financial institution, a written consent in accordance with clause 4.1 above, shall be obtained from the Employer prior to entering into such cession.
- 4.3 Any cession entered into without the necessary written consent from the either party, shall be null and void.
- 4.4 The Employer shall not consent to a cession of monies due or to become due under this agreement as security in favour of a financial institution, unless such financial institution submitted to the IDT a Valid Tax Clearance Certificate, is registered as a credit provider in terms of the National Credit Act and as a vendor in the IDT's Vendor Management System.

5 INTERIM PAYMENT

- 5.1 The **Employer** shall, in accordance with clause 8.2.3 of the treasury regulation of March 2005, pay to the **Contractor** the amount certified in an interim **payment certificate** within **thirty (30) calendar days** of the date of submission of the **payment certificate**".
- 5.2 Default interest, where applicable, shall only be effective after the 30 calendar days of the date of receipt of the interim **payment certificate from the Principal Agent**.
- 5.3 The Employer shall be entitled to apply a set-off against a legitimate and liquid claim against the Insurer from which a valid invoice has been received.

6 TAX COMPLIANCE MEASURES

- 6.1 The Insurer hereby grant confirmation that SARS may, on on-going basis during the contract term, disclose the Insurer's tax compliance status to the employer. .
- 6.2 The Insurer shall submit a valid tax clearance certificate within 10 working days from the date of expiry of the tax clearance certificate. The Employer reserve the right to demand a valid Tax Clearance Certificate prior to making any payment to the Contractor, should it become aware that the tax clearance corticated has expired.
- 6.3 Unless the Employer receive a written confirmation that the Insurer has challenged its tax compliance status with SARS, the Employer shall not process any payment to the Insurer, if 30 days has lapsed since the written notice by the Employer and the Insurer has failed to remedy its tax compliance status.
- 6.4 Employer's non-payment of the Insurer's invoice in accordance with clause 6.4 above shall not absolve the contractor from performing its obligation in terms of the contract.
- 6.5 Unless the Employer receives a written confirmation that the Insurer has challenged its tax compliance status with SARS, the Employer shall be entitled to cancel the contract with the Contractor.
- 6.6 Where a Contractor is a JV, each party to a JV must be tax complaint and remains tax compliant for the full duration of the Insurance contract, failing which, the Employer shall invoke paragraph 6.4 or 6.6 above.

7. APPROVAL OF VARIATION ORDERS

- 7.1 Upon receipt of the Variation Order (VO), the End user must professionally consider the merits of the Variation Order and make a recommendation to the Accounting Officer.
- 7.2 The End user shall not have the power to approve any deviation or variation which has financial implications on the Employer without the necessary written approval
- 7.3 of the Accounting Officer, except under emergency circumstances wherein failure to undertake the work may result in loss of life or assets.

- 7.4 The Employer must communicate the approval of a Variation Order in writing to the End User and the End user shall, upon receipt of confirmation of the approval of the VO, issue the necessary Contract Instruction to the Insurer to undertake the works.
- 7.5 The Insurer shall not commence with any Variation Order Works without the written approval of the Variation Order from the Employer, except under circumstances mentioned in paragraph 7.2 above.
- 7.6 Should the Insurer undertakes the Variation Order Works without the necessary written approval of the Variation Order from the Employer, the Insurer shall be entirely liable for any financial and any related implications and hereby indemnify and hold harmless the Employer from and against any and all claims, actions, damages, liabilities, injuries, costs, fees, expenses, or losses, including and without limitation, reasonable attorney's fees and costs of investigation and litigation, whatsoever which may be incurred by, or for which liability may be asserted against, the Employer arising out of the Insurer's performance or non-performance of unauthorized works, but only to the extent caused by the negligent acts, errors or omissions of the Insurer.
- 7.7 The Insurer shall not accept any instructions from any party, including beneficiary Department, other than the Principal Agent.

8. **JOINT VENTURE AGREEMENT**

- 8.1 Should the Joint Venture Agreement be dissolved or any of the JV partner pull out the JV Agreement for any reasons whatsoever, the Employer hereby reserve its right to terminate the contract with immediate effect.

9. BREACH

9.1 In the event that the Insurer: -

9.1.1 commits an act of insolvency; or

9.1.2 is placed under a provisional or final winding-up or judicial management order; or

9.1.3 is placed under or applied for business rescue: **then the Employer will be entitled to terminate the Agreement on written notice.**

Signed at on this the day of **2022**

AS WITNESSES:

1. _____

For and on behalf of the **Employer:** (.....), in his/her capacity as

the -----, who hereby confirm that he/she is duly authorized.

2. _____

For and on behalf of the **Employer:** (.....), in his/her capacity as

the -----, who hereby confirm that he/she is duly authorized.

Signed at on this the day of **2022**

AS WITNESSES:

3. Name: _____ Signature: _____

For and on behalf of the **Insurer:** in his/her capacity as the –
-----, who hereby confirm that he/she is duly authorized.

4. Name: _____ Signature: _____

For and on behalf of the **Insurer:**in his/her capacity as
....., who hereby confirm that he/she is duly authorized.