



**forestry, fisheries
& the environment**

Department:
Forestry, Fisheries and the Environment
REPUBLIC OF SOUTH AFRICA

Foretrust Building, Martin Hammerschlag Way, Foreshore, Cape Town, 8001

Enquiries: Ms Talitha Bikani/Mr Lwandisa Hoza
Tel: 021 402 3260/3708
E-mail: MLRFTENDERS@DFFE.GOV.ZA

TO WHOM IT MAY CONCERN

Dear Sir/Madam

NOTICE: EXTENSION OF CLOSING DATE FOR MLRF 209/24: TO APPOINT A SERVICE PROVIDER (SP) AS A INPEDENT PROJECT MANAGEMENT TEAM (PMT) TO EFFECTIVELY AND EFFICIENTLY REPORT, AND MONITOR THE RELEASE, PROCESSING, AND SELLING OF CONFICATED ABALONE ON BEHALF OF THE DEPARTMENT OF FORESTRY, FISHERIES AND THE ENVIRONMENT (DFFE) / MARINE LIVING RESOURCES FUND (MLRF) FOR A PERIOD OF THIRTY-SIX MONTHS

TENDER NUMBER	MLRF209/24
CLOSING DATE & TIME	13 SEPTEMBER 2024, 11H00
EXTENSION DATE & TIME (new date)	27 SEPTEMBER 2024, 11H00

1. Please note that the closing date for the abovementioned bid has been extended to Friday, 27 September 2024 at 11H00am due to ensure that bidders are given the necessary time to prepare their technical and pricing proposals.
2. All bids that have been submitted already prior to this extension; the following option can be exercised by the bidders:
 - To ignore the extension and still stand with their submitted proposal
 - To submit the additional information that has not been submitted
 - To inform the MLRF to ignore the bid that is already submitted and re-submit
3. The bid document must be sealed in an envelope on which the following information is clearly indicated:



Batho pele- putting people first

The name and address of the tenderer

BID number



MLRF 209/24: TO APPOINT A SERVICE PROVIDER (SP) AS A INPEDENT PROJECT MANAGEMENT TEAM (PMT) TO EFFECTIVELY AND EFFICIENTLY REPORT, AND MONITOR THE RELEASE, PROCESSING, AND SELLING OF CONFICATED ABALONE ON BEHALF OF THE DEPARTMENT OF FORESTRY, FISHERIES AND THE ENVIRONMENT (DFFE) / MARINE LIVING RESOURCES FUND (MLRF) FOR A PERIOD OF THIRTY-SIX MONTHS

- Closing date
4. All bid documents must be submitted in original, hard copy format.
 5. All completed documentation (additional documents/ first version of the submission/re-submission) must be returned to the Marine Living Resource Fund (MLRF) the entity of the Department of Forestry, Fisheries, and the Environment (DFFE) before 11:00 on the 27th of September 2024. The location of the drop off is: Tender Box, Ground Floor, Foretrust Building, 2 Martin Hammerschlag Way, Foreshore, Cape Town, 8001.
 6. Hard copy proposals and late bids will not be accepted.
 7. Please direct all enquiries to Tender office on email: MLRFTENDERS@DFFE.GOV.ZA OR contact 021 402 3260

Yours sincerely



MR MICHAEL MAKHETHA

DIRECTOR: SUPPLY CHAIN MANAGEMENT (ACTING)

DATE: 04/9/2024



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**forestry, fisheries
& the environment**

Department:
Forestry, Fisheries and the Environment
REPUBLIC OF SOUTH AFRICA

INVITATION TO BID

BID REFERENCE NUMBER: MLRF209/24

TO APPOINT A SERVICE PROVIDER (SP) TO EFFECTIVELY AND EFFICIENTLY MONITOR AND REPORT ON THE RELEASE, PROCESSING AND SELLING OF CONFISCATED ABALONE FOR A PERIOD OF THIRTY SIX (36) MONTHS.

Contact person:

Name: Ms Talitha Bikani/ Mr Lwandisa Hoza

Office Telephone No: (021) 402 3260

E-Mail: MLRFTENDERS@DFFE.GOV.ZA

NATIONAL TREASURY CENTRAL SUPPLIER DATABASE (CSD) REGISTRATION INFORMATION

Company name	Supplier registration number	Unique reference number	
			Main contractor
			Sub-contracted/ joint venture comp 1
			Sub-contracted/ joint venture comp 2

CLOSING DATE OF THE BID: 13th OF SEPTEMBER 2024 AT 11H00

Physical Compulsory Briefing session:

Physical compulsory briefing session will be held on the 3rd of SEPTEMBER 2024 (Monday) at 10:00. Enquiries can be requested from MLRFTENDERS@DFFE.GOV.ZA

DETAILS ARE AS FOLLOWS:

Venue: 6th Floor, Foretrust Building, 2 Martin Hammerschlag Way, Foreshore, Cape Town, 8001

Drop off Address:

The location of the drop off is: Tender Box, Ground Floor, Foretrust Building, 2 Martin Hammerschlag Way, Foreshore, Cape Town, 8001

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	MLRF209/24	CLOSING DATE:	13 September 2024	CLOSING TIME:	11:00
DESCRIPTION	TO APPOINT A SERVICE PROVIDER (SP) TO EFFECTIVELY AND EFFICIENTLY MONITOR AND REPORT ON THE RELEASE, PROCESSING AND SELLING OF CONFISCATED ABALONE FOR A PERIOD OF THIRTY SIX (36) MONTHS.				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
GROUND FLOOR, FORETRUST BUILDING					
MARTIN HAMMERSCHLAG WAY					
FORESHORE, CAPE TOWN, 8001					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	Ms. Talitha Bikani		CONTACT PERSON	Mr Lwandisa Hoza	
TELEPHONE NUMBER	021-402 3260		TELEPHONE NUMBER	021-402 3708	
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	MLRFtenders@dffe.gov.za		E-MAIL ADDRESS	MLRFtenders@dffe.gov.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		[TICK APPLICABLE BOX] <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 THE QUESTIONNAIRE BELOW]
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
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 IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
- 1.4. **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

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."

NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

SIGNATURE OF BIDDER:

.....

CAPACITY UNDER WHICH THIS BID IS SIGNED:

.....

(Proof of authority must be submitted e.g. company resolution)

DATE:

.....

Application for a Tax Clearance Certificate

Purpose

Select the applicable option Tenders ☐ Good standing ☐

If "Good standing", please state the purpose of this application

Particulars of applicant

Name/Legal name (Initials & Surname or registered name)											
Trading name (if applicable)											
ID/Passport no						Company/Close Corp. registered no					
Income Tax ref no						PAYE ref no	7				
VAT registration no	4					SDL ref no	L				
Customs code						UIF ref no	U				
Telephone no						Fax no					
E-mail address											
Physical address											
Postal address											

Particulars of representative (Public Officer/Trustee/Partner)

Surname											
First names											
ID/Passport no						Income Tax ref no					
Telephone no						Fax no					
E-mail address											
Physical address											

Tender number	<input type="text"/>
Estimated Tender amount	R <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/>
Expected duration of the tender	<input type="text"/> <input type="text"/> <input type="text"/> year(s)

Particulars of the 3 largest contracts previously awarded					
Date started	Date finalised	Principal	Contact person	Telephone number	Amount

Are you currently aware of any Audit investigation against you/the company?

YES	NO
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If "YES" provide details

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

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

Signature of representative/agent

Date

Name of representative/ agent

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

Signature of applicant/Public Officer

Name of applicant/
Public Officer

--

Date

1. It is a serious offence to make a false declaration.
2. Section 75 of the Income Tax Act, 1962, states: Any person who
 - (a) fails or neglects to furnish, file or submit any return or document as and when required by or under this Act; or
 - (b) without just cause shown by him, refuses or neglects to-
 - (i) furnish, produce or make available any information, documents or things;
 - (ii) reply to or answer truly and fully, any questions put to him ...As and when required in terms of this Act ... shall be guilty of an offence ...
3. **SARS will, under no circumstances, issue a Tax Clearance Certificate unless this form is completed in full.**
4. Your Tax Clearance Certificate will only be issued on presentation of your South African Identity Document or Passport (Foreigners only) as applicable.

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER:	BID NO.: MLRF209/24
CLOSING TIME 11:00	CLOSING DATE: 13 September 2024

OFFER TO BE VALID FOR **120 DAYS** FROM THE CLOSING DATE OF BID.

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)
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TO APPOINT A SERVICE PROVIDER (SP) TO EFFECTIVELY AND EFFICIENTLY MONITOR AND REPORT ON THE RELEASE, PROCESSING AND SELLING OF CONFISCATED ABALONE FOR A PERIOD OF THIRTY SIX (36) MONTHS.

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

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

R.....

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

4. PERSON AND POSITION

HOURLY RATE

DAILY RATE

.....

.....

.....

.....

.....

R.....

R.....

R.....

R.....

R.....

5. PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

.....

.....

.....

.....

R..... days

R..... days

R..... days

R..... days

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

DESCRIPTION OF EXPENSE TO BE INCURRED

RATE

QUANTITY

AMOUNT

.....

.....

.....

.....

.....

.....

.....

.....

Name of Bidder:

TOTAL: R.....

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

- 5.2 Other expenses, for example accommodation (specify, eg. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
.....	R.....
.....	R.....
.....	R.....
.....	R.....

TOTAL: R.....

6. Period required for commencement with project after acceptance of bid
 7. Estimated man-days for completion of project
 8. Are the rates quoted firm for the full period of contract? *YES/NO
 9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.

*[DELETE IF NOT APPLICABLE]

Any enquiries regarding bidding procedures may be directed to the –

DEPARTMENT OF FORESTRY, FISHERIES AND THE ENVIRONMENT – THE MARINE LIVING RESOURCE FUND

Contact person: Ms Talitha Bikani
 Contact Number: 021 402 3260
 E-mail: MLRFTENDERS@DFFE.GOV.ZA

OR

Contact person: Mr Lwandisa Hoza
 Contact Number: 021-402 3708
 E-mail: MLRFTENDERS@DFFE.GOV.ZA

(NOTE: Please circle or tick your answer)

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

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

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.

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.

SBD4

- 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 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

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

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

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

1. GENERAL CONDITIONS

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

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

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

(delete whichever is not applicable for this tender).

- a) The applicable preference point system for this tender is the **90/10** preference point system.
- b) The applicable preference point system for this tender is the **80/20** preference point system.
- c) Either the **90/10 or 80/20 preference point system** will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

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

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

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

The maximum points for this tender are allocated as follows:

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

- 1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

80/20	or	90/10
$Ps = 80 \left(1 - \frac{Pt - Pmin}{Pmin} \right) \text{ or } Ps = 90 \left(1 - \frac{Pt - Pmin}{Pmin} \right)$		

Where

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

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

3.2.1. POINTS AWARDED FOR PRICE

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

$$\begin{array}{ccc} \text{80/20} & \text{or} & \text{90/10} \\ P_s = 80 \left(1 + \frac{P_t - P_{\max}}{P_{\max}} \right) & \text{or} & P_s = 90 \left(1 + \frac{P_t - P_{\max}}{P_{\max}} \right) \end{array}$$

Where

- P_s = Points scored for price of tender under consideration
 P_t = Price of tender under consideration
 P_{\max} = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

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

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
51% black ownership	N/A	8	N/A	
50% women ownership	N/A	4	N/A	
Youth ownership	N/A	4	N/A	
Disability	N/A	4	N/A	
Non- compliant contributor	N/A	0	N/A	

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium

One-person business/sole propriety

Close corporation

Public Company

Personal Liability Company

(Pty) Limited

Non-Profit Company

State Owned Company

[TICK APPLICABLE BOX]

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

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

.....	
SIGNATURE(S) OF TENDERER(S)	
SURNAME AND NAME:
DATE:
ADDRESS:

THE NATIONAL TREASURY

Republic of South Africa



**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 any thing of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 "Day" means calendar day.
 - 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
 - 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
 - 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
 - 1.11 "Dumping" occurs when a private enterprise abroad markets 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.

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| 2. Application | <p>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.</p> <p>2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.</p> <p>2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.</p> |
| 3. General | <p>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.</p> <p>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</p> |
| 4. Standards | <p>4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.</p> |
| 5. Use of contract documents and information; inspection. | <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> |
| 6. Patent rights | <p>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.</p> |

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 GOC.

9. Packing

- 9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
- 9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
 - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
 - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

- (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.

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| 16. Payment | 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
16.4 Payment will be made in Rand unless otherwise stipulated in SCC. |
| 17. Prices | 17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be. |
| 18. Contract amendments | 18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned. |
| 19. Assignment | 19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent. |
| 20. Subcontracts | 20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract. |
| 21. Delays in the supplier's performance | 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the |

supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

23.4 If a purchaser intends imposing a restriction on a supplier or any

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

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

may be due to him

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| 25. Force Majeure | <p>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.</p> <p>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.</p> |
| 26. Termination for Insolvency | <p>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.</p> |
| 27. Settlement of Disputes | <p>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.</p> <p>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.</p> <p>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.</p> <p>27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.</p> <p>27.5 Notwithstanding any reference to mediation and/or court proceedings herein,</p> <ul style="list-style-type: none">(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and(b) the purchaser shall pay the supplier any monies due the supplier. |
| 28. Limitation of Liability | <p>28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;</p> <ul style="list-style-type: none">(a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and |

		(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
29. Governing language	29.1	The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
30. Applicable law	30.1	The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
31. Notices	31.1	Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
	31.2	The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
32. Taxes and duties	32.1	A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
	32.2	A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
	32.3	No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
33. National Industrial Participation Programme (NIP)	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.

TAKE-ON		NEW	UPDATE	ENTITY TYPE	BUSINESS	DEPARTMENT	EMPLOYEE	OTHER
FROM: CREDITOR / ENTITY (DETAILS)	TITLE							
	SURNAME							
	FIRST NAME/S							
	BUSINESS NAME							
	TRADING NAME							
	BUSINESS REG No.							
	VAT REGISTERED	Y	N					
	VAT REGISTRATION NO.							
	ID NO.							
	DEPARTMENT NAME							
PERSAL NO. *								

* For employees only

[illegible]

DETAILS OF FINANCIAL INSTITUTION FOR ELECTRONIC BANKING TRANSFERS: BANK NAME: BRANCH NAME & CITY/TOWN BRANCH NUMBER/CODE ACCOUNT NUMBER ACCOUNT TYPE 	BANK DATE STAMP (NOT REQUIRED IF ACCOUNT CONFIRMATION LETTER SUBMITTED) <div style="border: 1px solid black; height: 100px; width: 100%;"></div>
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This authority may be cancelled / changed by giving prior written notice, by way of registered post or facsimile.

SIGNATURE OF AUTHORISED PERSON		POSITION HELD			
PRINT NAME OF AUTHORISED PERSON		DATE (DD/MM/YYYY):			



THE MARINE LIVING RESOURCES FUND, A SCHEDULE 3A PUBLIC ENTITY ESTABLISHED IN TERMS OF THE PUBLIC FINANCE MANAGEMENT ACT, 1999 (ACT NO 1 of 1999) AND THE DEPARTMENT OF FORESTRY, FISHERIES AND ENVIRONMENT ("DFFE") (IN ITS COMMITMENT TO THE PRINCIPLES ENSHRINED IN THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, 1996) ADHERES TO THE PROVISIONS OF THE BROAD BASED BLACK ECONOMIC EMPOWERMENT ACT, 53 OF 2003 (B-BBEE), THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 5 OF 2000 ("PPPF") AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022.

TERMS OF REFERENCE

MLRF209/24:TO APPOINT A SERVICE PROVIDER (SP) AS A INPEDENDENT PROJECT MANAGEMENT TEAM (PMT) TO EFFECTIVELY AND EFFICIENTLY REPORT, AND MONITOR THE RELEASE, PROCESSING, AND SELLING OF CONFICATED ABALONE ON BEHALF OF THE DEPARTMENT OF FORESTRY, FISHERIES AND THE ENVIRONMENT (DFFE) / MARINE LIVING RESOURCES FUND (MLRF) FOR A PERIOD OF THIRTY-SIX MONTHS.

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1. PURPOSE

- 1.1 The Marine Living Resource Fund (MLRF), Fisheries Management Branch of the Department of Forestry, Fisheries, and the Environment requires the services of a Service Provider (SP) to be appointed as a independent Project Management Team (PMT) to effectively and efficiently report, and monitor the release, processing, and selling of confiscated abalone on behalf of the Department of Forestry, Fisheries and the Environment (DFFE) / Marine Living Resources Fund (MLRF) for a period of thirty-six months.

2. INTRODUCTION AND BACKGROUND

- 2.1 *In terms of sections 63, 68 and 69 of the Marine Living Resources Act, 1998 (Act No. 18 of 1998) ("the Act"), the Department is responsible for the disposal of any confiscated fish or other things of a perishable nature.*
- 2.2 Through this bid process, the Department intends to appoint a specialist PMT to report and monitor the release, processing, drying, and selling of confiscated abalone for a period of thirty-six months.
- 2.3 It should also be noted that in conjunction with this appointment, the MLRF intends to appoint a fishing processing establishment/s to process, market, and sell confiscated abalone.
- 2.4 The independence of the service provider will ensure that the processes are conducted with integrity openly and transparent manner.

3. PHYSICAL COMPULSORY BRIEFING SESSION

- 3.1 To ensure that service providers understand what is required from them with regards to this tender, bidders must attendance of a compulsory briefing session. The sessions will take place as follows:
- 03rd September 2024 at 10h00
 - Venue: 6th Floor, Foretrust Building, 2 Martin Hammerschlag Way, Foreshore, Cape Town, 8001

The venue for the sessions can be requested via email:

Name	Email address
Mr Lwandisa Hoza	MLRFtenders@dffe.gov.za
Ms Talitha Bikani	

**Bidders should use "MLRF209/24: Briefing Session" as the subject of the email of requesting venue for the briefing session.*

4. SCOPE AND EXTENT OF WORK

- 4.1 The service provider will be independent from the MLRF, processing service provider, and the buyers/potential buyers and will render the above-mentioned service on behalf of the Department.
- 4.2 The service provider including all staff involved in this bid must disclose any past association with buyers/potential buyers in the abalone and shark fin industry locally or abroad.
- 4.3 The following are the responsibilities of the PMT:
 - 4.3.1 Be fully conversant with the content of the Department's policy on the processing, marketing, and selling of confiscated abalone attached as Annexure A.
 - 4.3.2 Ensure that no abalone in any form is present or stored at the premises of the fish processing establishment (s) at the commencement of the processing and monitoring bids.
 - 4.3.3 Conduct regular site inspections not limited to security and video surveillance of the premises of the fish processing establishment (s) throughout the bid. Normal working hours will be determined beforehand. PMT should ensure that stringent security at the processing service provider is always maintained and in working order.
 - 4.3.4 Have regular meetings with the Department regarding the receipting, storage, and processing of all abalone.
 - 4.3.5 Accurate receipting, compiling statistics, and safeguarding of supporting documentation of all confiscated abalone received at the MLRF stores as well as at the premises of the fish processing establishment (s) to be appointed by the MLRF.
 - 4.3.6 Accurate receipting, compiling statistics, and safeguarding of supporting documentation of all confiscated abalone processed at the premises of the fish processing establishment (s) to be appointed by the MLRF.
 - 4.3.7 The PMT will immediately report to the Department if it believes that the fish processing establishment will not be able to process 10 tons of abalone per month. Failure to report will lead to a penalty of 7.5% on the monthly invoice.
 - 4.3.8 The PMT will make at least once a month unannounced spot visit per month at the premises of the fish processing establishment and at the MLRF stores and the following are to be noted:
 - 4.3.8.1 Unreported or unaccounted for stock.
 - 4.3.8.2 Unreported/unaccounted for abalone (all forms) for the processing.
 - 4.3.9 Verification of data emanating throughout the processing of confiscated abalone.
 - 4.3.10 After processing the confiscated abalone into the dried form, an accurate recording of the product is regarded unfit for human consumption as per the grading protocol (Annexure A) for a possible return to the MLRF for destruction.

- 4.3.11 Monitoring that all security measures are in place daily and ensuring that the product is locked away by the PMT at the end of each day.
- 4.3.12 Accurate monitoring of the processing of the confiscated abalone from receipting, weighing, thawing, sorting, counting, cleaning, cooking, and drying of the product. Monitoring and reporting to the Department of Production variances.
- 4.3.13 Monthly detailed reporting to the Department on reporting, and monitoring the release, processing, and selling of confiscated abalone.
- 4.3.14 The PMT must not associate with any buyers/potential buyers of the final abalone and shark fin products during the period of this bid. Any problems the PMT experience with the fish processing establishment (s) or their staff must immediately be reported to the Department in writing. Transgressions can lead to the immediate cancellation of this bid.
- 4.3.15 Included in the PMT, provision must be made for an independent abalone grading specialist for the final grading of abalone required for selling with the approval of the Department. This specialist must also oversee the initial grading of processed abalone at the processing plant.
- 4.3.16 Where the Department confiscates dried abalone, the fish processing establishment (s) will be responsible for the grading and sizing of the abalone and the compilation of a packing list. The PMT will conduct a final verification of the product before sale. Any discrepancies must be brought to the attention of the Department together with the fish processing establishment (s).
- 4.3.17 The processing service provider must make their premises available for the sale of final graded dried abalone as noted in 4.3.15 with the Department's representatives. The Department will still remain responsible for all the sales of all the confiscated products.

5. CONFIDENTIALITY AND SECURITY

- 5.1 The PMT must be willing to be subjected to a security vetting process by the Department.
- 5.2 All information, documents, and reports about the operations of the Department gathered by the service provider or furnished to the service provider must be treated as strictly confidential and may not be provided to any other person or used for any other purpose than for this service without the prior written consent of a duly authorized representative of the Department. The successful bidder must, always, act in the best interest of the Department.
- 5.3 The PMT must ensure that proper security procedures are implemented and maintained to restrict access to confidential information of the personnel involved in the service.

- 5.4 The service provider must remain independent and always perform its duties in the best interest of the Department. The service provider may not associate with the purchasers of the final abalone and sharkfin product during the period of this bid.
- 5.5 All staff involved in this bid must disclose any past association with buyers/potential buyers in the abalone and sharkfin industry locally or abroad.

6. TIME, COSTS AND CONTROL

- 6.1 Award will be based on hourly rate for all staff involved in all work to be carried out during normal working hours and overtime (including weekends and public holidays) must be submitted and must be inclusive of VAT.
- 6.2 The service provider will be required to submit a monthly log of all hours worked and must submit monthly reports of the work provided to the delegated official.
- 6.3 The Department will not be responsible for any costs other than the hourly rate. Bidders must therefore be self-supporting in terms of office infrastructure, information technology, staff support (accommodation and meals), transport and telecommunication etc.
- 6.4 Should travel outside the Western Cape be necessary, such costs will be accounted for by the Department as and when the services are required.
- 6.5 The service provider is required to submit a project plan of action of all deliverables detailing the cost of the services. Prices quoted must be VAT inclusive.
- 6.6 The price must remain firm at the time of the bid being awarded.
- 6.7 Service providers are required to provide a cost estimate for their services where a fish processing establishment is required to process 10 tons of frozen, uncooked shucked abalone to a dried form.

7. PERIOD / DURATION OF APPOINTMENT

- 7.1 The contract with the appointed Service Provider will run for a period of thirty-six months and will commence as agreed in the Memorandum of Agreement (MOA) signed between the MLRF and the Service Provider.

8. COSTING / COMPREHENSIVE BUDGET

- 8.1. A comprehensive costing must be provided in a separate envelope inclusive of all disbursement costs and related expenditures inclusive of Value Added Tax (VAT). Refer to the additional pricing schedule for further

details and SBD 3.3 to be completed. The Service Provider (SP) must quote for all activities and should be quoted in South African currency.

- 8.2. Bidders must utilise the attached SBD 3.3 and Annexure A - Price Schedule Guidance to provide a breakdown of the hourly tariff per Resource category, for the specified estimated hours, as required for the service, an estimated percentage of disbursements not exceeding 7% and Value Added Tax (VAT) where applicable, per year for the period of thirty-six (36) months.
- 8.3. Disbursements for expenses incurred by the service provider during the course of the project will be reimbursed at a maximum 7% as per the tender submission. Expenditure incurred for travel between the offices or home of the Service Provider and the MLRF's offices in Cape Town, will not be separately charged to the Department.
- 8.4. In the event that an project requires travel to another province or office of the MLRF outside of Cape Town, reasonable travel expenses may be claimed by the Service Provider as follows:
 - a) Accommodation is limited to a maximum of a three-star rated establishment, including meals and up to two (2) soft drinks per person. Accommodation rates are limited to a maximum of R1 530.00 (one thousand five hundred and thirty rands) per night (rates may be revised as guided by National Treasury), including meals and soft -drinks as per the proposed cost-containment measures instituted by the National Treasury at any given point int time;
 - b) Car hire limited to a Type B vehicle category, except where the use of an off-road vehicle, with higher ground clearance be required in terms of an project;
 - c) Air-flights are limited to economy class only;
 - d) Travel estimates must be included in the internal project engagement plan submitted to the Director: Internal Project; and
 - e) Claims for travel expenses will be reimbursed at cost only, and any travel expenses in terms of this clause must be supported by proof of expenditure and claims for milage should be in line with the department rates and Travel Policy which includes VAT.
- 8.5. Hourly rates for all team members should comply with the latest hourly consultants' fees determined by Department of Public Service and Administration (DPSA) and advertised in DPSA's website. Visit https://www.dpsa.gov.za/policy-updates/nlrrm/consultants_hourly_fee_rates/ for the latest available rates.
- 8.6. Expenditure incurred without the prior approval of the Marine Living Resource Fund (MLRF) will not be reimbursed.

- 8.7. The DFFE / MLRF shall not pay for any unproductive or duplicated time spent by the SP on any assignment because of staff changes, sub-contracting or re-drafting of reports due to errors, corrections or incorrect/incomplete findings.
- 8.8. The DFFE / MLRF reserves the right to negotiate with one or more preferred bidder(s) identified in the evaluation process, regarding any terms and conditions, including prices without offering the same opportunity to any other bidder(s) who have not been awarded the status of the preferred bidder(s).
- 8.9. The DFFE / MLRF reserves the right to negotiate with one or more preferred bidder(s) identified in the evaluation process, regarding any terms and conditions, including prices without offering the same opportunity to any other bidder(s) who have not been awarded the status of the preferred bidder(s).
- 8.10. Prices should be quoted as per the Annexure B, pricing schedule.

9. EVALUATION METHOD

- 9.1. The evaluation for this bid will be carried out in four (4) phases:

- Phase 1: Pre-compliance
- Phase 2: Mandatory Requirement
- Phase 3: Due-diligence
- Phase 4: Price and Specific Goals

9.2. PHASE 1: PRE-COMPLIANCE OR INITIAL SCREENING

- 9.2.1 During this phase bid documents will be reviewed to determine the compliance with Supply Chain Management Standard Bidding Documents and any other required returnable, tax matters and whether the Central Data Base (CSD) report has been submitted with the bid documents at the closing date and time of the bid. Bids which do not satisfy the compliance criteria will not be evaluated further.
- 9.2.2 The bid proposal will be screened for compliance with administrative requirements as indicated below:

Item No.	Administrative Requirements	Check/Compliance	Non-submission may result in disqualification?
1	SCM - SBD 1 - Invitation to Bid	Completed and signed	**NO

Item No.	Administrative Requirements	Check/Compliance	Non-submission may result in disqualification?
2	SCM - SBD 2 - Tax Clearance Certificate Requirements	CSD registration number/SARS PIN and CSD summary report	**NO
3	SCM - SBD 3.3 – Pricing Schedule	Completed and signed	**NO
4	SCM – NEW SBD 4 - Declaration of Interest	Completed and signed	**NO
5	SCM - NEW SBD 6.1 - Preference Points Claim Form in terms of the Preferential Procurement Regulations 2022	Completed and signed.	**NO
6	In case of bids where Consortia / Joint Ventures, Consortia agreement signed by both parties must be submitted with bid proposal	JV agreement completed and signed, if applicable	**NO

****NO** – MLRF reserves the right to send a request for information (RFI) to the service provider in the event of non-submission or unclear or incomplete document and request response to within seven (7) days after the date of sending the RFI. If the documents are not submitted or completed in full after the seven (7) days period, the MLRF will reject proposals and will not be further evaluated for Phase 2.

9.3.PHASE 2: MANDATORY REQUIREMENTS

9.3.1 The following table must be completed by the bidder by answering YES OR NO and attaching the required proof.

9.3.2 Only bidders who achieve a “Yes” for all mandatory requirements and attached required proof will proceed for evaluation to phase three (3).

REQUIREMENT	REQUIRED PROOF TO BE SUBMITTED WITH BID	COMPLY: YES OR NO Bidder to Tick
a) Be a South African established, managed, and operated organization person as defined in the relevant legislation/Act;	Proof of identification/registration: - CIPC registration – members/shareholders South African IDs	

	<ul style="list-style-type: none"> - Partnership Agreement with South African IDs of all partners - Sole proprietorship - South African IDs copies <p><i>* ID must reflect RSA citizenship and be certified.</i></p>	
b) Commit to appoint South Africans with no criminal record.	A recent (not older than 1 year) South African Police Service (SAPS) clearance certificate was issued by SAPS for all staff members and management involved in the project	
c) The Service Provider does not have any convictions or pending charges or are liable in any section of the Marine Living Resources Act;	Sworn-Affidavit signed by the representative of the bidder and commissioned by the Commissioner of Oath.	
d) Commit to only appoint South African staff to be part of the project. No foreigners will be allowed to be part of the project.	<p>South African IDs copies of all staff members and management involved in the project</p> <p><i>* ID should reflect RSA citizenship and be certified.</i></p>	
e) Relevant GRADER CVs to be submitted. The CV should indicate at least five (5) years of abalone grading experience.	A comprehensive CV of the grader.	
<p>f) Provide a detailed implementation/protocol plan.</p> <p>Plan should cover;</p> <ul style="list-style-type: none"> • Timeframes • Milestones • Team compositions • Anti-corruption strategy • Promotion of independence 	Provide a detailed implementation/protocol plan.	

<p>g) The applicable experience of the bidder/service provider in the field of monitoring high-value commodities.</p>	<p>Provide a detailed company profile with contactable references.</p> <p>The profile should indicate the following:</p> <ul style="list-style-type: none"> - Similar projects completed. - at least three (3) years of experience. <p>Contactable reference for each completed project.</p>	
<p>h) The applicable experience of the project leader in the field of monitoring high-value commodities and understands inventory management and recording.</p>	<p>Provide a detailed company profile with contactable references.</p> <p>The profile should indicate the following:</p> <ul style="list-style-type: none"> - Similar projects completed. - at least five (5) years of experience. <p>Contactable reference for each completed project</p>	
<p>i) The project leader must be accredited with a professional body that promotes independence and ethics.</p> <p><i>*The accreditation to be effective throughout the contract.</i></p>	<p>Proof of valid and active accreditation from the professional body.</p>	

**If there is non-submission or unclear or incomplete document/s, an opportunity to submit the document/s will be provided to the service provider who indicated YES for the requirement/s. Bidders will be requested to submit within seven (7) days after the date of sending the RFI. If the documents are not submitted or completed in full after the seven (7) days period, the MLRF will reject proposals and will not be further evaluated for Phase 3.*

** This will not be used as an opportunity to submit evidence that did not exist at the date of closing the bid. The document must meet the evaluation requirements as at the date of closing the bid.*

9.4. PHASE 3: DUE-DILIGENCE

9.4.1 Only bid proposals that meet phases one (1) and two (2) will be considered to be evaluated for due diligence.

9.4.2 MLRF reserve the right perform a due-diligence.

- 9.4.3 The MLRF may perform due diligence on the mandatory requirements in the table in 9.3.2 and any other aspect that demonstrates the bidder's resources and capabilities of executing the project.
- 9.4.4 Live demonstrations and/or site inspections will be performed to confirm the ability of the bidder to execute the project and the availability of sufficient personnel, working equipment, and other resources to deliver the required services.
- 9.4.5 The MLRF will communicate the dates to the bidder/s beforehand. Bidders must
- a) Provide the representative with access to the offices of the bidder where the services will be offered.
 - b) Provide the MLRF with the documents that will be required to support management responses on the due diligence questionnaire form. The MLRF will indicate the required documents beforehand.
 - c) To have the personnel who will be responsible for the demonstrations that will be required available.
 - d) To have any other information or staff required for MLRF to successfully perform the due diligence.
 - e) To provide the MLRF before the date of the due diligence with the contact details of two people that will be contacted on the day of the due diligence.
 - f) To reserve two (2) parking bays for the representative of the MLRF.
- 9.4.6 Bidder/s who do not demonstrate the ability to deliver the required services and the availability of resources will NOT be evaluated further.

9.5. PHASE 4: PRICE & SPECIFIC GOALS

- 9.5.1 Only bid proposals that meet phase one (1), two (2) and three (3) will be evaluated on price and specific goals.
- 9.5.2 An evaluation of Price and Specific Goals Preference points on the suppliers, that successful qualified to this stage of evaluation.
- 9.5.3 **Calculation of points for price** - The Preferential Procurement Policy Framework Act (PPPFA) prescribes that the lowest acceptable bid will score 80 points (for tenders under R50m) or 90 points (for tenders above R50m) for price. Suppliers that quoted higher prices will

score lower points for price on a pro-rata basis. Where functionality is set as criteria, only bid proposals that meets functionality requirements will be considered for evaluation on price and specific goals preference points.

- 9.5.4 The 80/20 as an appropriate preference point system will be used in the evaluation and adjudication of this quote. However, it must be extended that the lowest acceptable quote will be used to determine the applicable preference point system as per regulation (Section 3(2)(b) of the Preferential Procurement Regulations (PPR) 2022, which states: "If it is unclear which preference point system will be applicable, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable proposal will be used to determine the applicable preference point system". Therefore, either 80 or 90 points, depending on the rand value of the proposal, will be awarded to the suppliers who offers the lowest price, and proportionately fewer points are awarded to those with higher prices. Either 20 or 10 points are then available as preference points for Specific Goals, as applicable. The contract will be awarded to the suppliers that scores the highest total number of adjudication points per category.

Calculating of points for Specific Goals

- 9.5.5 Points will be awarded to a supplier for specific goals. Bidders are required to submit the original and valid proof for preference points claimed or certified copies thereof; to substantiate their preference points claims. SBD 6.1 must also be duly completed, signed, and submitted alongside the bid to claim preference points. Failure to do so will result in Specific Goals preference points being forfeited.
- 9.5.6 The 80/20 as an appropriate preference point system will be used in the evaluation and adjudication of this quotation. However, it must be extended that the lowest acceptable supplier will be used to determine the applicable preference point system as per regulation (Section 3(2)(b) of the Preferential Procurement Regulations (PPR) 2022, which states: "If it is unclear which preference point system will be applicable, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable supplier will be used to determine the applicable preference point system". Therefore, either 80 or 90 points, depending on the rand value of the quotation, will be awarded to the suppliers who offers the lowest price, and proportionately fewer points are awarded to those with higher prices. Either 20 or 10 points are then available as preference points for specific goals, as applicable. The contract will be awarded to the suppliers that scores the highest total number of adjudication points per category.

9.5.7 Points will be awarded to a supplier for specific goals in accordance with the table below:

A.	PRICE	80
B.	Specific Goal	Number of points (20)
	51% black ownership	8
	50% women ownership	4
	Youth ownership	4
	Disability	4
	Non-compliant contributor	0

*The definitions of the above specific goals are as per the PPR policy of the MLRF.

9.5.8 The SCM unit of the DFFE / MLRF will allocate preferential points (Specific Goals) to each company for its contribution towards empowerment of the black designated groups as prescribed in the Preferential Procurement Regulations of 2022, women, people with disabilities, youth as well as local economic development.

9.5.9 A supplier will not be disqualified from the quotation process if the suppliers does not submit supporting documents substantiating the specific goals preference points claimed or is a non-compliant contributor. Such some suppliers will score 0 for Specific Goals.

9.5.10 Suppliers will be subject to SCM conditions of the Department – MLRF and the Preferential Procurement Regulations, 2022 issued in terms of section 5 of the Preferential Procurement Policy Framework Act (Act No 5 of 2000) (PPPFA).

9.5.11 The PPPFA prescribes that the lowest acceptable bid will score 80 or 90 points for price (as explained above, depending on whether the bid prices is more or less than R50million). Suppliers that quoted higher prices will score lower points for price on a pro-rata basis. Where functionality is set as a criterion, only bid proposals that meets functionality requirements will be considered to be evaluated on price and Specific Goals.

9.5.12 The contract will be awarded to the supplier scoring the highest points subject to section 2(1) (f) of the PPPFA, 2000.

10. BID SUBMISSION REQUIREMENTS

10.1 **All completed documentation must be returned to the Marine Living Resource Fund (MLRF) the entity of the Department of Forestry, Fisheries and the Environment (DFFE) before 11:00 on the 13th**

of September 2024. The location of the drop off is: Tender Box, Ground Floor, Foretrust Building, 2 Martin Hammerschlag Way, Cape Town, 8000.

10.1 Bidders should ensure that the following submission requirements, which will be needed for evaluation purposes are included in their bid proposal and are as follows:

10.1.1. The SP must draft a table of content which will indicate where each document is located in the proposal.

10.1.2. Completed table of mandatory requirements, as set out in the table in paragraph 9.3.2 of this document, together with all necessary supporting documents and required documentary proof.

10.1.3. Standard bidding documents (SBD1, 2, 3.3, 4, and 6.1) completed and signed.

10.1.4. A valid copy of the Tax Clearance Certificate/ Tax Compliance Status Pin issued by SARS to the supplier/copy of Central Supplier Database (CSD)/ MA supplier Number must be submitted together with the bid.

10.1.5. In case of bids where Consortia / Joint Ventures / Sub-contractors are involved; such must be clearly indicated and each party must submit a separate copy of a valid Tax Clearance Certificate or copy of Tax Compliance Status Pin or CSD/ MAAA supplier Number together with the bid.

10.1.6. Certified copies of identity documents of directors and shareholders of the company.

10.1.7. Entity registration Certificate (e.g. CK1).

10.1.8. Letter of Authority to sign documents on behalf of the company.

10.1.9. BBBEE Certificate/ sworn affidavit.

11. SPECIAL CONDITIONS OF CONTRACT

11.1. On appointment, the performance measures for the delivery of the agreed services will be closely monitored by MLRF.

11.2. The MLRF will not be held responsible for any costs incurred by the SPs in the preparation, presentation and submission of the proposal.

11.3. The appointed Contract Manager shall do the ongoing management of the Memorandum of Agreement (MOA).

- 11.4. All the conditions specified in the General Conditions of Contract (GCC) will apply and where the conditions in the special conditions of contract contradicts the conditions in the general conditions of contract, the special conditions of contract will prevail.
- 11.5. The bid proposals should be submitted with all required information containing technical information.
- 11.6. Travelling costs and time spent or incurred between home and office of the SP and the MLRF office will not be for the account of MLRF.
- 11.7. Bidders failing to meet all the requirements will automatically be disqualified.
- 11.8. Poor or non-performance by the bidder will result in cancellation of the order and the MOA.
- 11.9. Should the service provider fail to perform, the Department /MLRF reserves the right to cancel the appointment of such service provider immediately and without any notice. The Department / MLRF also reserves the right to recover the costs incurred in arranging such training e.g. salaries/wages of attendees and any other costs deemed necessary for the successful execution of the training.

12. PAYMENT TERMS

- 12.1. In a case whereby sub-contracting is not set as a pre-qualification criterion, however the tenderer is intending to sub-contract portion of work, such tenderer awarded a contract may only enter into sub-contracting arrangements with the approval of the MLRF.
- 12.2. The MLRF undertakes to pay out in full or as per deliverables within 30 (thirty) days all valid claims for work done to its satisfaction upon presentation of a substantiated claim and the required reports stipulated in special conditions. No payment will be made where there is outstanding information/work not submitted by the Service Provider/s until that outstanding information is submitted.
- 12.3. Payment by the MLRF shall be made by means of an electronic transfer into the SP's bank account.
- 12.4. Payment requirements
- The successful Service Provider shall render services to the MLRF in accordance with the Project Plan and Project Scope.
 - The amounts are inclusive of VAT and all disbursements shall be paid in South African Rands.
 - The MLRF reserves the right to, after consultation with the successful Service Provider, increase, reduce or cancel the budget.

- Disbursements of project funding will be agreed on for each project and disbursements will be made on agreed and verified deliverables and indicators (targets) that are included in the Project Plan
- The successful Service Provider shall provide the MLRF with an original tax invoice for the services rendered. Once the MLRF has approved such an invoice and is satisfied with the services rendered as outlined in the Project Plan, it will make payment to the successful Service Provider within 30 days of approval of such a request.
- The successful Service Provider are required to submit the following documents with each invoice;
 - Acting letter of the manager of SP (if applicable)
 - Monthly/Period Project Progress Report
- The MLRF requires that a new order number be raised after 1 April of each of the financial years of the contract period.

13. ENQUIRIES

13.1 Should you require any further information in this regard, please do not hesitate to email:

Name	Email address
Mr Lwandisa Hoza	MLRFtenders@dfpe.gov.za
Ms Talitha Bikani	

**Bidders should use "MLRF209/24: Enquiries" as the subject of the email for all the enquiries.*

ANNEXURE A

PRICING SCHEDULE AND ADDITIONAL INFORMATION THAT IS REQUIRED WITH BID.

Total Amount for the Project	R/hour YEAR 1	R/hour YEAR 2	R/hour YEAR 3
Amount			

The independent monitoring team must consist of:

1. Project Leader
2. Grader
3. Monitor 1
4. Monitor 2

The pricing should be based on the above team composition.



environment
& tourism

Department:
Environmental Affairs and Tourism
REPUBLIC OF SOUTH AFRICA

POLICY ON HANDLING OF CONFISCATED ABALONE

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GLOSSARY OF TERMS:

"Arresting officer" means a fishery control officer or other authorised law enforcement official from the South African Police Services, the South African Revenue Services etc;

"Confiscated abalone" means abalone seized in terms of applicable legislation and includes abandoned abalone;

"Unfit abalone" means abalone declared unfit for human consumption by a Departmental expert and has a strong odour;

"FCO" means a fishery control officer appointed in terms of the MLRA;

"MOU" means a memorandum of understanding;

"MLRA" means the Marine Living Resources Act, 1998 (Act No. 18 of 1998);

"MLRF" means the Marine Living Resources Fund, a schedule 3A public entity established in terms of section 10 of the MLRA;

"SLA" means a service level agreement;

"SANPARKS" means South African National Parks;

"SAPS" means the South African Police Services; and

"SARS" means the South African Revenue Services;

1. SECTION A

1.1 PREAMBLE:

The Department is responsible for the handling and disposal of abalone confiscated in terms of the Marine Living Resources Act, (Act No. 18 of 1998) and relies on the assistance and co-operation of partner enforcement agencies and organs of state for enforcement activities including confiscations. This policy is intended to guide all the role-players on the processes involving the management and handling of confiscated abalone.

1.2 OBJECTIVE:

The objective of this policy is to establish the procedures required for the accountable, economic, effective, efficient and transparent management and handling of confiscated abalone from the point of seizure to disposal in terms of the Marine Living Resources Act, (Act No. 18 of 1998).

1.3 SCOPE:

This policy applies to authorised persons involved in the management and handling of confiscated abalone.

1.4 APPLICABLE LEGISLATION:

The Marine Living Resources Act, 1998 (Act No. 18 of 1998) and the regulations promulgated in terms thereof;
Criminal Procedure Act, 1977 (Act 51 of 1977) (CPA);
Customs and Excise Act, 1964 (Act No. 91 of 1964); and
Public Finance Management, 1999 (Act No. 1 of 1999) and the Treasury Regulations issued in terms thereof.

1.5 DELEGATION OF AUTHORITY:

The authority to confiscate abalone is assigned to Fishery Control Officers (FCO) in terms of Section 51 of the MLRA while the authority to dispose of the confiscated abalone as a perishable product is assigned to the Minister or his / her delegate.

1.6 ACCOUNTING FOR REVENUE:

All monies received from the sale of confiscated abalone will be dealt with in terms of the applicable legislation and International Accounting Standards.

1.7 COMMUNICATION:

The contents of this policy will be communicated to officials of this Department. The details of this policy will also be communicated to other organs of State involved in the confiscations of abalone through approved protocols and MOU's.

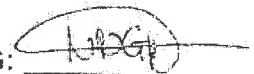
2. SECTION B

2.1 OVERVIEW OF THE PROCESS:

- 2.1.1 In terms of the MLRA noted above, a person can only be in possession of abalone if they are in possession of the necessary permits or exemptions issued by the Department. If this requirement is not met, the abalone can be seized, a criminal docket opened and the confiscated abalone handed to the Department for processing, marketing and selling except samples retained as evidence pending the finalisation of the criminal proceedings.
- 2.1.2 The confiscated abalone must be recorded and identified, as detailed in paragraphs 2.4 and 2.5, before being released for processing and later sale.
- 2.1.3 The Department may appoint service providers to transport, safe-guard, process, market and sell the confiscated abalone by following a competitive bid process in terms of the Supply Chain Management prescripts. An independent monitor may also be appointed to ensure that the processing, marketing and selling of the confiscated abalone is undertaken with integrity and to ensure that the Department receives the best grade at reasonable prices for the product after processing. Service level agreements must be entered into with approved service providers with measurable indicators.
- 2.1.4 The department will make available specific plastic bags and metal security numbered seals to the officials responsible for the handling of the confiscated abalone for securing the abalone as described in paragraph 2.3.

2.2 CONFISCATION OF ABALONE:

- 2.2.1 The arresting officer receives information of illegal activities through whistle blowers or through routine inspections and investigations. The arresting officer will assess the situation in terms of Section 51 of the MLRA and other applicable legislation to determine the most appropriate procedure to apprehend the suspect and whether other organs of State need to be contacted for a co-ordinated joint operation.
- 2.2.2 Once the suspect is apprehended and it has been determined that the suspect is in possession of illegally obtained abalone, the arresting officer will inform the suspects of the alleged contraventions in terms of the MLRA and that the abalone will be confiscated. The requirements and processes in terms of the Criminal Procedure Act will also be simultaneously executed where applicable and will include the registration of the offence with the



SAPS in which jurisdiction the seizure took place. When the abalone is handed over to the SAPS official, a SAP13 number will be issued.

- 2.2.3 Officials from other organs of State such as SAPS, SARS and SANParks may also confiscate abalone in terms of applicable legislation and are required to notify and hand over the confiscated abalone to the Department who is responsible for transporting, storing and ultimately selling the confiscated abalone.

2.3 RECORDING, SEALING AND STORAGE

- 2.3.1 The arresting officer must count the confiscated abalone in the presence of the suspects at the scene of the crime or at the nearest SAPS station. The abalone must be bagged and sealed in the presence of the suspects. If the counting process took place at the crime scene, the sealed bags of abalone must be transported to the nearest SAPS station within the jurisdiction where the offence took place
- 2.3.2 The bags must be fastened with a plastic cable tie (to tighten the contents). Thereafter it must be sealed with a uniquely numbered official metal seal. The seal numbers must be shown to the suspects. The metal seal must be woven through the plastic bag immediately above the plastic cable tie. This is to ensure that the contents remain secure and the metal seal cannot be tampered with or removed other than by cutting it. A white plastic tag with the name of Accused, the CAS number, SAP13 number, the numbered bag and the quantity in the specific bag (100 or less) must be attached to each bag.
- 2.3.3 The arresting officer responsible for the counting process will draft and complete an affidavit with the full details of the counting process as to how many units of abalone were counted, the number of bags, seal numbers, and the state of the abalone (whole or out of the shell). This affidavit will be filed in the case docket with the SAPS.
- 2.3.4 In instances where abalone is discovered in various places but relates to the same case, the number of abalone found at each place (in the freezer, in the fridge, in a cooking pot, on the dry racks, in boxes, in the garage, etc.) must be recorded in the affidavit of the responsible official and the suspect must be informed accordingly.
- 2.3.5 Any other items seized at the crime scene must be recorded in the SAP13 exhibit register and will remain in the safe custody of the SAPS until the case has been finalised and the appropriate forfeiture order has been issued by a court. Where SAPS is unable to safely store other items seized they may be released by SAPS to the Department for storage in its Main

store. Where items are confiscated from an illegal abalone drying plant, all equipment and consumables used in the drying of the abalone must be recorded in the SAP13 and transferred to the Main store of the Department for disposal in accordance with the MLRA.

- 2.3.6 When the confiscated abalone is handed over to the Department, the SAPS official will complete the SAP136 form as proof of return of the abalone and the receiving FCO will sign receipt in the SAP13 register and SAP136. Under no circumstances must the bags of abalone leave the SAPS station without the SAPS CAS and SAP13 numbers. In instances of abandoned abalone, the CAS number is not required.
- 2.3.7 Where abalone is confiscated outside the Western Cape, the arresting officer will determine the most suitable manner of storage in order to preserve the abalone. This will take into account factors such as the available local facilities including freezer capacity and immediately notify the Department of the confiscated abalone through the designated contact numbers.
- 2.3.8 If the abalone was seized in the Western Cape the abalone must be transported to the designated storage sites of the Department. These sites will be made available to the responsible officer prior to the transport of the abalone.
- 2.3.9 The arresting officer must then transport the bags of abalone to the local storage facility. This must be a secure and locked facility to which a maximum of two MCM officials have access. If the arresting officer is not one of the responsible officers, the bags must be handed over to such officers. The details of the case will then be recorded in the Exhibit Register of the local storage facility.
- 2.3.10 An official at the identified storage facility must immediately contact the delegated official from the Department to collect the abalone for transporting to the Main Store of the Department. Before the abalone is released for transporting, to the Main store, the officials of the Department will formally receive the abalone and this process will include acknowledging receipt of the abalone including the number of bags and weights where possible, the case details and seal numbers which must be recorded in writing.
- 2.3.11 The details of the confiscated abalone must then be recorded in the exhibit / transgression register at the relevant local MCM office. The details will include the name of the accused, CAS no., SAP13 no., number of abalone in the bag, number of the bag, the weight where possible, the receipt number (if received from another station). An exhibit register number is available from the Departmental exhibit register.

2.3.12 The transport of confiscated abalone to the Department's Main Store will take place under strict control of the Department with an armed escort and once the abalone has been recorded and loaded onto a vehicle, the vehicle must be locked and sealed and the seal number recorded before departure. This seal can only be broken by an authorised official at another site where confiscated abalone has to be loaded or at its final destination.

2.3.13 The details of the confiscated abalone must then be recorded in the exhibit / transgression register at the relevant MCM office or at the Main store located in Cape Town. The details will include the name of the accused, CAS no., SAP13 no., number of abalone in the bag, number of the bag, the weight where possible, the receipt number (if received from another station). An exhibit register number is available from the Departmental exhibit register.

2.4 IDENTIFICATION AND SAMPLING

2.4.1 Once the abalone is received by the Department, arrangements will be made for the recording of the consignment which will include the date of receipt, CAS No., SAP13 No., number of animals, weight of the abalone, Name of the SAPS station.

2.4.2 The abalone is then stored and formally identified by an expert from the Department for court purposes.

2.4.3 The expert will in the presence of another official break the seals of the bags and record the seal numbers in an affidavit in order to maintain the "Chain of Evidence". A full recording of the number of animals must be made including an assessment of the state of the abalone (sized, undersized, shucked, unshucked, frozen, cooked, dried or unfit).

2.4.4 Through examination, the expert must identify the abalone and a sample of up to 10% of the abalone must be kept at the Main stores of the Department for record and court purposes which may be presented as evidence during a criminal trial. The samples are separately bagged and sealed with the following details reflected on the tags; CAS No., SAP13 No. and the name of SAPS station. Samples are stored separately from the remaining abalone and kept in a separate freezer at the Department's Main Store. The expert must then seal all the remaining bags that were opened and record the relevant information and the seal numbers in an affidavit.

2.4.5 The expert must visit the local storage facility weekly or as is necessary depending on the circumstances to identify the abalone.

- 2.4.6 The details of the samples must be recorded on a register by the officials responsible for the storage of the abalone at the Main store and the information must be provided to the officials from the Chief Directorate: Monitoring Control and Surveillance from the Department who are responsible for the monitoring of the related criminal cases. The progress and outcomes of the cases must be submitted to the CFO: Marine Living Resources Fund on a quarterly basis to enable the efficient processing and selling of the samples and other forfeited items.

2.5 TRANSPORT OF ABALONE FOR PROCESSING

- 2.5.1 The Department directs the appointed external monitors to supervise and schedule the transfer of the confiscated abalone to the appointed processor. The consignment of abalone must be transported at the cost of the processor who takes full responsibility for safe-guarding the product during transport under the supervision of the monitoring service provider.
- 2.5.2 Confiscated abalone that does not require any processing (dried) will be graded by the staff from the processors and the monitors and made available to the processors appointed by the Department to market and sell the dried abalone.
- 2.5.3 The service providers appointed to process, market and sell the abalone receive confiscated abalone for processing based on its availability. Where more than one processor has been appointed, the abalone is released on a rotational basis and when one of the processors is unable to receive the product, the other one will be used. The monitors will notify the responsible official of the Department of the delivery details of every consignment of abalone.
- 2.5.4 A representative of the processor will receive the abalone in the presence of a representative of the monitors. A copy of the exhibit register kept at the Main Store is presented to the relevant monitors and both representatives will then sign proof of acceptance. The monitor retains a copy of this document.
- 2.5.5 The abalone is then checked and weighed and a Goods Received Voucher (GRV) is issued to the representative of the processor. The details on the GRV includes the number of bags, the weight of each bag, the seal number of each bag, the SAP 13 number, the case number and the exhibit register number. The monitor signs the document and the Department retains a copy.
- 2.5.6 The Department will issue a transport permit reflecting the details of the vehicle transporting the confiscated abalone to the premises of the

processors including the identification details of the driver. This permit is made available to the monitors and can only be used on the date designated for the transport of the confiscated abalone from the Main Store to the appointed processor.

- 2.5.7 Once the delivery vehicle has been sealed, the abalone is then transported under armed escort provided by the processor and accompanied by the monitor to the premises of the processor.
- 2.5.8 Any problems experienced during the transporting of the confiscated abalone must immediately be reported to the Department and to the nearest SAPS station if required.
- 2.5.9 The processor receiving the confiscated abalone records receipt of the product and may only process the abalone on approval and under the supervision of the monitors. The confiscated abalone will be stored separately in refrigeration units on the processor's premises which will be locked by the monitors.
- 2.5.10 When the abalone is prepared for processing and determined not fit to be processed (unfit abalone), the processor together with the monitors will contact the Department. The product is then transferred back to the Main store and will be disposed of in terms of Section 63 of the Act. Unfit product will be dumped under the supervision of the Department.
- 2.5.11 Once court cases have been finalised and the confiscated abalone is forfeited to the State by court order, the Department will retrieve the stored samples and present same for processing in accordance with the above procedure.

2.6 PROCESSING AND GRADING:

- 2.6.1 Once the date to commence processing of the confiscated abalone has been confirmed between the processor and the monitors, arrangements will be made to remove the abalone from the refrigeration unit to thaw.
- 2.6.2 The monitors will record all the details from the bags and record the weight of all items including that of the bag, seal and any other waste. The abalone is also counted to verify the original count.
- 2.6.3 Once the abalone is completely thawed, the status of the abalone is checked in order to remove any unfit abalone. Unfit abalone is recorded, bagged and stored separately

- 2.6.4 The abalone is then cleaned and all waste is recorded including the weight of each item.
- 2.6.5 The processor will then be able to apply a unique processing technique under the strict supervision of the monitors. This process will include the cooking of the abalone and thereafter placing the abalone on racks for drying.
- 2.6.6 The monitor records the temperature of the drying rooms and monitors the drying process.
- 2.6.7 Once the abalone has been dried, the abalone is then cooled and placed in a safe area for grading.
- 2.6.8 The requirements as set out in the approved Norms and Standard document will apply. These norms and standards will be reviewed from time to time.
- 2.6.9 The results obtained after grading and sizing of the dried abalone will be used to create a packing list. This list will be made available to the foreign buyers of the processor to obtain a competitive price.
- 2.6.10 The packing list is also used to determine the projected price to be offered to the Department based on the previous prices obtained for sales.

2.7 SELLING OF CONFISCATED DRIED ABALONE (PROCESSED ABALONE):

- 2.7.1 The processor is required to present to the monitors at least three independent quotes from the foreign buyers. The document containing this information is lodged with the monitors. Prices offered are in USD (\$) per kilogram per quality grade and individual size.
- 2.7.2 If the prices offered to the Department are unreasonable by comparing the prices offered with previous offers, the monitors will inform the processor to obtain more quotations with competitive prices.
- 2.7.3 Once a ceiling price has been reached, the monitors can also offer the packing list to the other processor in order to obtain competitive prices.
- 2.7.4 The processor who processed the particular consignment of confiscated abalone will be allowed to make a final offer whereafter the prices will be presented to the Department and recommended for approval.
- 2.7.5 The monitors will also monitor the possible benefits of foreign exchange gains and losses which accrue to the Department.

- 2.7.6 Once approval is granted, the approval documents are presented to the monitors who will arrange with the processor for the transfer of the funds to the bank account of the MLRF in South African Rands (ZAR) within three working days.
- 2.7.7 Once confirmation is received that the funds have been transferred to the MLRF, arrangement will be made for the export of the dried abalone. The processor will present to the Department the application for the applicable permits.
- 2.7.8 Once the permits have been issued, the monitors will acknowledge receipt thereof and arrange with the processor for the export of the abalone. The export permit will have a validity period not exceeding five working days.
- 2.7.9 The processor is required to package the dried abalone and transport the boxes to Cape Town International Airport under the supervision of the monitors who will also be present when the boxes are booked in at the freight agent for export.

2.8 SELLING OF CONFISCATED DRIED ABALONE (ADHOC SALES / AUCTIONS):

- 2.8.1 When dried abalone is confiscated which does not require any processing, the abalone can be made available for immediate sale through an auction
- 2.8.2 After identification, counting, sampling and weighing the dried product, the dried abalone is placed on drying racks in the Main store to reach room temperature.
- 2.8.3 In consultation with the processors and the monitors, the product is graded by the staff of the processors and the monitors and sized to create a packing list at the Main Store.
- 2.8.4 The afore-mentioned packing list will form the basis of an auction which will be conducted at a date determined by the Department following prior approval processes.
- 2.8.5 Auction rules are made available to the processors and must be signed and accepted before the commencement of the auction. A reserve price can be placed on the consignment available for auction. Offers are increased at intervals of at least \$500.00 per subsequent offer.
- 2.8.6 Once the highest price has been reached, the auction is stopped and the necessary approval on the sale is obtained.

2.8.7 Once approval is granted, the approval documents are presented to the monitors who will arrange with the processor for the transfer of the funds to the bank account of the MLRF in South African Rands (ZAR) within three working days.

2.8.8 The requirements as set out in paragraphs 2.7.7 to 2.7.9 will then apply.

2.9 ISSUE OF CONFISCATED ABALONE IN TERMS OF SECTION 252(A) OF THE CRIMINAL PROCEDURE ACT, 1977.

2.9.1 Applications are received in terms of section 252A of the Criminal Procedure Act to utilise abalone for controlled deliveries as part of undercover operations. These requests are dealt with through the Directorate: Special Investigation Unit in the Department.

2.10 REFUND OF THE PROCEEDS FROM THE SALE OF CONFISCATED ABALONE

2.10.1 Upon finalisation of a criminal case if the accused is acquitted and the Department may be ordered to return the proceeds of the sale of the relevant confiscated abalone to the accused.

2.10.2 The monitors will be notified of the case details and must compile a full report containing the details of what had happened to that specific confiscated abalone and the proceeds obtained from the sale thereof.

2.10.3 On receipt of the afore-mentioned information, the Department will liaise with the claimant for the refund of the net proceeds of the sale less all associated costs (including processing, marketing and monitoring costs).

2.10.4 If the proceeds are to be repaid, the applicant will be required to register on the Financial System of the MLRF for the payment to be effected. Approval for the refund will be obtained from the CFO: MLRF and the payment will be made in terms of the requirements of the Public Finance Management Act, 1999 and the Treasury Regulations issued in terms thereof.



environment
& tourism

Department:
Environmental Affairs and Tourism
REPUBLIC OF SOUTH AFRICA

NORMS AND STANDARDS FOR THE HANDLING OF CONFISCATED ABALONE

A handwritten signature, possibly 'W.D.G.', enclosed in an oval.

3. SECTION C

3.1 NON COMPLIANCE:

Non compliance with any provisions contained within this policy by any Departmental official may lead to disciplinary steps in terms of the Public Service Act and Regulations being instituted against the official concerned. Where officials from other organs of State are involved, the requirements of the SLA / MOU will be applied together with their internal procedures.

3.2 APPROVAL AND ACCEPTANCE:



DIRECTOR-GENERAL
DATE: 27/11/09

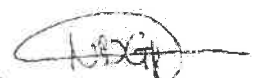
This document contains the norms and standards for the handling of confiscated abalone and should be read in conjunction with the Departmental policy on the handling of confiscated abalone.

1. CONFISCATION OF ABALONE:

- 1.1 The arresting officer receives information of illegal activities through whistle blowers or through routine inspections and investigations. The arresting officer will assess the situation in terms of Section 51 of the MLRA and other applicable legislation to determine the most appropriate procedure to apprehend the suspect and whether other organs of State need to be contacted for a co-ordinated joint operation.
- 1.2 Once the suspect is apprehended and it has been determined that the suspect is in possession of illegally obtained abalone, the arresting officer will inform the suspects of the alleged contraventions in terms of the MLRA and that the abalone will be confiscated. The requirements and processes in terms of the Criminal Procedure Act will also be simultaneously executed where applicable and will include the registration of the offence with the SAPS in which jurisdiction the seizure took place. When the abalone is handed over to the SAPS official, a SAP13 number will be issued.
- 1.3 Officials from other organs of State such as SAPS, SARS and SANParks may also confiscate abalone in terms of applicable legislation and are required to notify and hand over the confiscated abalone to the Department who is responsible for transporting, storing and ultimately selling the confiscated abalone.

2. RECORDING, SEALING AND STORAGE

- 2.1 The arresting officer must count the confiscated abalone in the presence of the suspects at the scene of the crime or at the nearest SAPS station. The abalone must be bagged and sealed in the presence of the suspects. If the counting process took place at the crime scene, the sealed bags of abalone must be transported to the nearest SAPS station within the jurisdiction where the offence took place.
- 2.2 The bags must be fastened with a plastic cable tie (to tighten the contents). Thereafter it must be sealed with a uniquely numbered official metal seal. The seal numbers must be shown to the suspects. The metal seal must be woven through the plastic bag immediately above the plastic cable tie. This is to ensure that the contents remain secure and the metal seal cannot be tampered with or removed other than by cutting it. A white plastic tag with the name of Accused, the CAS number, SAP13 number, the numbered bag and the quantity in the specific bag (100 or less) must be attached to each bag.



- 2.3 The arresting officer responsible for the counting process will draft and complete an affidavit with the full details of the counting process as to how many units of abalone were counted, the number of bags, seal numbers, and the state of the abalone (whole or out of the shell). This affidavit will be filed in the case docket with the SAPS.
- 2.4 In instances where abalone is discovered in various places but relates to the same case, the number of abalone found at each place (in the freezer, in the fridge, in a cooking pot, on the dry racks, in boxes, in the garage, etc.) must be recorded in the affidavit of the responsible official and the suspect must be informed accordingly.
- 2.5 Any other items seized at the crime scene must be recorded in the SAP13 exhibit register and will remain in the safe custody of the SAPS until the case has been finalised and the appropriate forfeiture order has been issued by a court. Where SAPS is unable to safely store other items seized they may be released by SAPS to the Department for storage in its Main store. Where items are confiscated from an illegal abalone drying plant, all equipment and consumables used in the drying of the abalone must be recorded in the SAP13 and transferred to the Main store of the Department for disposal in accordance with the MLRA.
- 2.6 When the confiscated abalone is handed over to the Department, the SAPS official will complete the SAP136 form as proof of return of the abalone and the receiving FCO will sign receipt in the SAP13 register and SAP136. Under no circumstances must the bags of abalone leave the SAPS station without the SAPS CAS and SAP13 numbers. In instances of abandoned abalone, the CAS number is not required.
- 2.7 Where abalone is confiscated outside the Western Cape, the arresting officer will determine the most suitable manner of storage in order to preserve the abalone. This will take into account factors such as the available local facilities including freezer capacity and immediately notify the Department of the confiscated abalone through the designated contact numbers.
- 2.8 If the abalone was seized in the Western Cape the abalone must be transported to the designated storage sites of the Department. These sites will be made available to the responsible officer prior to the transport of the abalone.
- 2.9 The arresting officer must then transport the bags of abalone to the local storage facility. This must be a secure and locked facility to which a maximum of two MCM officials have access. If the arresting officer is not one of the responsible officers, the bags must be handed over to such officers. The details of the case will then be recorded in the Exhibit Register of the local storage facility.

- 2.10 An official at the identified storage facility must immediately contact the delegated official from the Department to collect the abalone for transporting to the Main Store of the Department. Before the abalone is released for transporting, to the Main store, the officials of the Department will formally receive the abalone and this process will include acknowledging receipt of the abalone including the number of bags and weights where possible, the case details and seal numbers which must be recorded in writing.
- 2.11 The details of the confiscated abalone must then be recorded in the exhibit / transgression register at the relevant local MCM office. The details will include the name of the accused, CAS no., SAP13 no., number of abalone in the bag, number of the bag, the weight where possible, the receipt number (if received from another station). An exhibit register number is available from the Departmental exhibit register.
- 2.12 The transport of confiscated abalone to the Department's Main Store will take place under strict control of the Department with an armed escort and once the abalone has been recorded and loaded onto a vehicle, the vehicle must be locked and sealed and the seal number recorded before departure. This seal can only be broken by an authorised official at another site where confiscated abalone has to be loaded or at its final destination.
- 2.13 The details of the confiscated abalone must then be recorded in the exhibit / transgression register at the relevant MCM office or at the Main store located in Cape Town. The details will include the name of the accused, CAS no., SAP13 no., number of abalone in the bag, number of the bag, the weight where possible, the receipt number (if received from another station). An exhibit register number is available from the Departmental exhibit register.

3. IDENTIFICATION AND SAMPLING

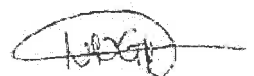
- 3.1 Once the abalone is received by the Department, arrangements will be made for the recording of the consignment which will include the date of receipt, CAS No., SAP13 No., number of animals, weight of the abalone, Name of the SAPS station.
- 3.2 The abalone is then stored and formally identified by an expert from the Department for court purposes.
- 3.3 The expert will in the presence of another official break the seals of the bags and record the seal numbers in an affidavit in order to maintain the "Chain of Evidence". A full recording of the number of animals must be made including an assessment of the state of the abalone (sized, undersized, shucked, unshucked, frozen, cooked, dried or unfit).



- 3.4 Through examination, the expert must identify the abalone and a sample of up to 10% of the abalone must be kept at the Main stores of the Department for record and court purposes which may be presented as evidence during a criminal trial. The samples are separately bagged and sealed with the following details reflected on the tags; CAS No., SAP13 No. and the name of SAPS station. Samples are stored separately from the remaining abalone and kept in a separate freezer at the Department's Main Store. The expert must then seal all the remaining bags that were opened and record the relevant information and the seal numbers in an affidavit.
- 3.5 The expert must visit the local storage facility weekly or as is necessary depending on the circumstances to identify the abalone.
- 3.6 The details of the samples must be recorded on a register by the officials responsible for the storage of the abalone at the Main store and the information must be provided to the officials from the Chief Directorate: Monitoring Control and Surveillance from the Department who are responsible for the monitoring of the related criminal cases. The progress and outcomes of the cases must be submitted to the CFO: Marine Living Resources Fund on a quarterly basis to enable the efficient processing and selling of the samples and other forfeited items.

4. TRANSPORT OF ABALONE FOR PROCESSING

- 4.1 The Department directs the appointed external monitors to supervise and schedule the transfer of the confiscated abalone to the appointed processor. The consignment of abalone must be transported at the cost of the processor who takes full responsibility for safe-guarding the product during transport under the supervision of the monitoring service provider.
- 4.2 Confiscated abalone that does not require any processing (dried) will be graded by the staff from the processors and the monitors and made available to the processors appointed by the Department to market and sell the dried abalone.
- 4.3 The service providers appointed to process, market and sell the abalone receive confiscated abalone for processing based on its availability. Where more than one processor has been appointed, the abalone is released on a rotational basis and when one of the processors is unable to receive the product, the other one will be used. The monitors will notify the responsible official of the Department of the delivery details of every consignment of abalone.
- 4.4 A representative of the processor will receive the abalone in the presence of a representative of the monitors. A copy of the exhibit register kept at the

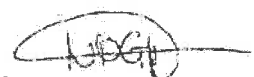


Main Store is presented to the relevant monitors and both representatives will then sign proof of acceptance. The monitor retains a copy of this document.

- 4.5 The abalone is then checked and weighed and a Goods Received Voucher (GRV) is issued to the representative of the processor. The details on the GRV includes the number of bags, the weight of each bag, the seal number of each bag, the SAP 13 number, the case number and the exhibit register number. The monitor signs the document and the Department retains a copy.
- 4.6 The Department will issue a transport permit reflecting the details of the vehicle transporting the confiscated abalone to the premises of the processors including the identification details of the driver. This permit is made available to the monitors and can only be used on the date designated for the transport of the confiscated abalone from the Main Store to the appointed processor.
- 4.7 Once the delivery vehicle has been sealed, the abalone is then transported under armed escort provided by the processor and accompanied by the monitor to the premises of the processor.
- 4.8 Any problems experienced during the transporting of the confiscated abalone must immediately be reported to the Department and to the nearest SAPS station if required.
- 4.9 The processor receiving the confiscated abalone records receipt of the product and may only process the abalone on approval and under the supervision of the monitors. The confiscated abalone will be stored separately in refrigeration units on the processor's premises which will be locked by the monitors.
- 4.10 When the abalone is prepared for processing and determined not fit to be processed (unfit abalone), the processor together with the monitors will contact the Department. The product is then transferred back to the Main store and will be disposed of in terms of Section 63 of the Act. Unfit product will be dumped under the supervision of the Department.
- 4.11 Once court cases have been finalised and the confiscated abalone is forfeited to the State by court order, the Department will retrieve the stored samples and present same for processing in accordance with the above procedure.

5. PROCESSING AND GRADING OF CONFISCATED ABALONE:

- 5.1 Once the date to commence processing of the confiscated abalone has been confirmed between the processor and the monitors, arrangements will be made to remove the abalone from the refrigeration unit to thaw.



- 5.2 The monitors will record all the details from the bags and record the weight of all items including that of the bag, seal and any other waste. The abalone is also counted to verify the original count.
- 5.3 Once the abalone is completely thawed, the status of the abalone is checked in order to remove any unfit abalone. Unfit abalone is recorded, bagged and stored separately.
- 5.4 The abalone is then cleaned and all waste is recorded including the weight of each item.
- 5.5 The processor will then be able to apply a unique processing technique under the strict supervision of the monitors. This process will include the cooking of the abalone and thereafter placing the abalone on racks for drying.
- 5.6 The monitor records the temperature of the drying rooms and monitors the drying process.
- 5.7 Once the abalone has been dried, the abalone is then cooled and placed in a safe area for grading.
- 5.8 The requirements as set out in the approved Norms and Standard document will apply. These norms and standards will be reviewed from time to time.
- 5.9 The results obtained after grading and sizing of the dried abalone will be used to create a packing list. This list will be made available to the foreign buyers of the processor to obtain a competitive price.
- 5.10 The packing list is also used to determine the projected price to be offered to the Department based on the previous prices obtained for sales.

6. SELLING OF CONFISCATED DRIED ABALONE (PROCESSED ABALONE):

- 6.1 The processor is required to present to the monitors at least three independent quotes from the foreign buyers. The document containing this information is lodged with the monitors. Prices offered are in USD (\$) per kilogram per quality grade and individual size.
- 6.2 If the prices offered to the Department are unreasonable by comparing the prices offered with previous offers, the monitors will inform the processor to obtain more quotations with competitive prices.
- 6.3 Once a ceiling price has been reached, the monitors can also offer the packing list to the other processor in order to obtain competitive prices.

- 6.4 The processor who processed the particular consignment of confiscated abalone will be allowed to make a final offer whereafter the prices will be presented to the Department and recommended for approval.
- 6.5 The monitors will also monitor the possible benefits of foreign exchange gains and losses which accrue to the Department.
- 6.6 Once approval is granted, the approval documents are presented to the monitors who will arrange with the processor for the transfer of the funds to the bank account of the MLRF in South African Rands (ZAR) within three working days.
- 6.7 Once confirmation is received that the funds have been transferred to the MLRF, arrangement will be made for the export of the dried abalone. The processor will present to the Department the application for the applicable permits.
- 6.8 Once the permits have been issued, the monitors will acknowledge receipt thereof and arrange with the processor for the export of the abalone. The export permit will have a validity period not exceeding five working days.
- 6.9 The processor is required to package the dried abalone and transport the boxes to Cape Town International Airport under the supervision of the monitors who will also be present when the boxes are booked in at the freight agent for export.

7. SELLING OF CONFISCATED DRIED ABALONE (ADHOC SALES / AUCTIONS):

- 7.1 When dried abalone is confiscated which does not require any processing, the abalone can be made available for immediate sale through an auction.
- 7.2 After identification, counting, sampling and weighing the dried product, the dried abalone is placed on drying racks in the Main store to reach room temperature.
- 7.3 In consultation with the processors and the monitors, the product is graded by the staff of the processors and the monitors and sized to create a packing list at the Main Store.
- 7.4 The afore-mentioned packing list will form the basis of an auction which will be conducted at a date determined by the Department following prior approval processes.
- 7.5 Auction rules are made available to the processors and must be signed and accepted before the commencement of the auction. A reserve price can be

placed on the consignment available for auction. Offers are increased at intervals of at least \$500.00 per subsequent offer.

- 7.6 Once the highest price has been reached, the auction is stopped and the necessary approval on the sale is obtained.
- 7.7 Once approval is granted, the approval documents are presented to the monitors who will arrange with the processor for the transfer of the funds to the bank account of the MLRF in South African Rands (ZAR) within three working days.
- 7.8 The requirements as set out in paragraphs 6.7 to 6.9 will then apply.

8. ISSUE OF CONFISCATED ABALONE IN TERMS OF SECTION 252(A) OF THE CRIMINAL PROCEDURE ACT, 1977.

- 8.1 Applications are received in terms of section 252A of the Criminal Procedure Act to utilise abalone for controlled deliveries as part of undercover operations. These requests are dealt with through the Directorate: Special Investigation Unit in the Department.

9. REFUND OF THE PROCEEDS FROM THE SALE OF CONFISCATED ABALONE

- 9.1 Upon finalisation of a criminal case if the accused is acquitted and the Department may be ordered to return the proceeds of the sale of the relevant confiscated abalone to the accused.
- 9.2 The monitors will be notified of the case details and must compile a full report containing the details of what had happened to that specific confiscated abalone and the proceeds obtained from the sale thereof.
- 9.3 On receipt of the afore-mentioned information, the Department will liaise with the claimant for the refund of the net proceeds of the sale less all associated costs (including processing, marketing and monitoring costs).
- 9.4 If the proceeds are to be repaid, the applicant will be required to register on the Financial System of the MLRF for the payment to be effected. Approval for the refund will be obtained from the CFO: MLRF and the payment will be made in terms of the requirements of the Public Finance Management Act, 1999 and the Treasury Regulations issued in terms thereof.

10. GRADING OF DRIED ABALONE:

- 13.1** The grading specification shall be used by the processor and the monitors to guide the sorting, sizing and grading of confiscated dried abalone. The specification includes the criteria that will be used to conduct the sorting, sizing and grading of finished product that will be marketed and sold to the international market.

13.2 SEQUENCE OF ACTIVITIES BEFORE GRADING:

13.2.1 PROCESSING

The Department will release confiscated abalone in the form of wet, cooked, semi-dried and dried product to the processor to produce dried finished product that will be sold to the international market. The processor will process the abalone with generally accepted techniques to prepare the abalone for marketing and selling. These techniques will include thawing, cooking, bleaching and drying to achieve the best grade of abalone for the international market.

13.2.2 STYLES OF PREPARATION

The processor shall be required to inform the monitors of the style of preparation so that this can be considered when conducting the final grading.

The processor may select to process the product by the chemical method or by natural method.

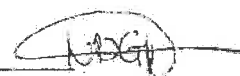
The processors selection of the style of preparation will need to ensure that the finished product produces the highest quality grades and resultant financial yields for the Department. The selection of the style of preparation will also need to consider the needs of the international market with regard to the colour, shape and dryness of the finished product.

13.2.2.1 Chemical method

The correct utilisation of the method will result in finished product that has a light colour (light brown; light green or caramel colour). Any deviations from the light colour will indicate that the quality of the product is compromised and will need to be independently assessed to validate the product grade.

13.2.2.2 Natural method

The utilisation of the method will result in finished product that is brown to dark brown in colour and in some instances



black. Finished product that is black will need to be independently assessed to validate the product grade.

13.3 SORTING AND GRADING:

13.3.1 Initial grading and sorting

The processor shall conduct the initial sorting and grading of finished product and the grades will be approved by the processing manager. The processing manager must inform the monitors once the initial sorting and grading has been completed so that the final grading can commence.

Finished product can be sorted and graded in batches but the processor must ensure that the batches are isolated and secured to avoid product swapping and tampering.

13.3.2 Final sorting and grading

The final grading shall be conducted jointly by the processing manager and the monitors to determine the final grade of each finished product. The final grading shall be used by the processor to offer the finished product for sale to the international market once approval has been obtained from the Department.

13.3.3 Disputed sorting and grading

If there is a dispute over the joint grading of finished product then the product must be isolated, secured and the incident must be reported to the head of the monitors for resolution. The head of the monitors will implement a resolution plan to determine the final grade of the disputed product.

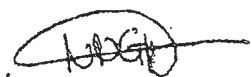
13.4 QUALITY CHARACTERISTICS:

Six quality characteristics have been defined for the allocation of a quality grade to finished product:



Characteristic Criteria

Flesh colour	<p>Chemical method: The colour of the flesh is assessed to determine its likeness to a light colour (light green; light brown or caramel colour). <u>optimal:</u> The likeness of the flesh colour to be light.</p> <p>Natural method: The colour of the flesh is assessed to determine its likeness to a brown or dark brown colour. <u>optimal:</u> The likeness of the flesh colour to be brown or dark brown.</p>
Hair / frill	<p>The frill is assessed to determine whether any hairs have been damaged. <u>optimal:</u> a frill that has upright and unbroken hairs</p>
Distinctive markings	<p>The flesh is assessed to determine whether there are any markings (i.e. scratches) on the abductor muscle or foot (cooking cracks on side is acceptable). <u>optimal:</u> Foot and abductor muscle that has no markings</p>
Physical shape	<p>The physical shape of the flesh is assessed to determine its conformity to an oval shape. <u>optimal:</u> flesh that is oval</p>
Thickness	<p>The thickness of the flesh is assessed. <u>optimal:</u> the optimal thickness of the flesh is 1 to 5 cm</p>
Odour	<p>The product should have a fresh smell and should not have any strong odours. <u>optimal:</u> Fresh</p>



13.5 QUALITY GRADES:

Five quality grades have been defined to grade the purity of the dried abalone:

Grade	Purity
A	Premium
B	High grade
C	Medium grade
D	Low grade
D - minus (sub standard)	Inferior

13.6 QUALITY SIZING:

Six size definitions have been defined to support the grading of dried abalone:

Size	Purity
≤ 17	Size 1
18 to 29	Size 2
30 to 60	Size 3
61 to 80	Size 4
81 to 95	Size 5
96+	Size 6

13.7 ABALONE GRADING:

The quality characteristics and size of the dried abalone will be assessed to determine the quality grading. The finished product will be graded to A, B, C, D or D-minus grade so that the product can be marketed and sold to the international market.

13.7.1 A grade abalone

The specifications to be allocated an A grade are:

Characteristic Criteria

Flesh colour	<ul style="list-style-type: none">• <u>Chemical</u>: The optimal flesh colour is a light colour (light green; light brown or caramel colour).• <u>Natural</u>: The optimal colour is brown or dark brown.
Hair / frill	<ul style="list-style-type: none">• The hairs are upright and unbroken making a perfect frill
Distinctive markings	<ul style="list-style-type: none">• Light scratches are permitted on the abductor muscle, the foot and on the flesh• Light indentations are permitted
Physical shape	<ul style="list-style-type: none">• An oval shape; no severe deformities
Thickness	<ul style="list-style-type: none">• Range from 1 cm to 5cm
Odour	<ul style="list-style-type: none">• Fresh

13.7.2 B grade abalone

The specifications to be allocated a B grade are:

Characteristic Criteria

Flesh colour	<ul style="list-style-type: none">• <u>Chemical</u>: The optimal flesh colour is light (light green; light brown or caramel colour).• <u>Natural</u>: The optimal colour is brown or dark brown.
Hair / frill	<ul style="list-style-type: none">• The hairs and frill are present with some broken/bent hairs

Characteristic	Criteria
Distinctive markings	<ul style="list-style-type: none"> Cuts and scratches are permitted on both sides of the abalone No deep lacerations Indentations are permitted
Physical shape	<ul style="list-style-type: none"> Likeness to the oval shape
Thickness	<ul style="list-style-type: none"> Range from 1 to 5cm
Odour	<ul style="list-style-type: none"> Fresh

13.7.3 C grade abalone

The specifications to be allocated a C grade are:

Characteristic	Criteria
Flesh colour	<ul style="list-style-type: none"> <u>Chemical</u>: The optimal flesh colour is light (light green; light brown or caramel colour). <u>Natural</u>: The optimal colour is brown or dark brown.
Hair / frill	<ul style="list-style-type: none"> Minimal hair and frill
Distinctive markings	<ul style="list-style-type: none"> Deep cuts, lacerations and/or indentations are present on abductor muscle. Some discolouration may be present beneath the abductor muscle Limited white dots will be permitted
Physical shape	<ul style="list-style-type: none"> Non-oval and deformed shape
Thickness	<ul style="list-style-type: none"> No specification: any thickness
Odour	<ul style="list-style-type: none"> Fresh

13.7.4 D grade abalone

The specifications to be allocated a D grade are:

Characteristic	Criteria
Flesh colour	<ul style="list-style-type: none">• <u>Chemical</u>: black (or dark pitch)• <u>Natural</u>: black (or dark pitch)
Hair / frill	<ul style="list-style-type: none">• No hair and frill
Distinctive markings	<ul style="list-style-type: none">• Deep cuts, lacerations and/or indentations are present
Physical shape	<ul style="list-style-type: none">• The shape must still resemble an abalone
Thickness	<ul style="list-style-type: none">• No specification: any thickness
Odour	<ul style="list-style-type: none">• Fresh to slight putrid smell

13.7.5 D minus (-) grade abalone/Inferior

The specifications to be allocated a D-minus grade are:

Characteristic	Criteria
Flesh colour	<ul style="list-style-type: none">• <u>Chemical</u>: black (or dark pitch)• <u>Natural</u>: black (or dark pitch)
Hair / frill	<ul style="list-style-type: none">• No hair and frill
Distinctive markings	<ul style="list-style-type: none">• Deep cuts, lacerations and/or indentations are present• Soft centres and/or "fat boys"• Rotten on the inside of the flesh
Physical shape	<ul style="list-style-type: none">• The shape must still resemble an abalone
Thickness	<ul style="list-style-type: none">• No specification: any thickness

Characteristic Criteria

- Odour
- Chemical: slight odour
 - Natural: putrid smell

13.8 Unfit abalone

Abalone that has been processed by the chemical style of preparation and that has a strong odour must be declared unfit. This product will be returned to the Department for disposal.


DIRECTOR-GENERAL

DATE: 27/11/09





environment
& tourism

Department:
Environmental Affairs and Tourism
REPUBLIC OF SOUTH AFRICA

Specification for the grading of confiscated abalone

Annexure A

1. **INTRODUCTION:**

The grading specification shall be used by the processor and the monitors to guide the sorting, sizing and grading of confiscated dried abalone. The specification includes the criteria that will be used to conduct the sorting, sizing and grading of finished product that will be marketed and sold to the international market.

2. **SEQUENCE OF ACTIVITIES:**

2.1. **PROCESSING**

The Department will release confiscated abalone in the form of wet, cooked, semi-dried and dried product to the processor to produce dried finished product that will be sold to the international market. The processor will process the abalone with generally accepted techniques to prepare the abalone for marketing and selling. These techniques will include thawing, cooking, bleaching and drying to achieve the best grade of abalone for the international market.

2.2. **STYLES OF PREPARATION**

The processor shall be required to inform the monitors of the style of preparation so that this can be considered when conducting the final grading.

The processor may select to process the product by the chemical method or by natural method.

The processors selection of the style of preparation will need to ensure that the finished product produces the highest quality grades and resultant financial yields for the Department. The selection of the style of preparation will also need to consider the needs of the international market with regard to the colour, shape and dryness of the finished product.

2.2.1. **Chemical method**

The correct utilisation of the method will result in finished product that has a light colour (light brown; light green or caramel colour). Any deviations from the light colour will indicate that the quality of the product is compromised and will need to be independently assessed to validate the product grade

2.2.2 **Natural method**

The utilisation of the method will result in finished product that is brown to dark brown in colour and in some instances

black. Finished product that is black will need to be independently assessed to validate the product grade.

2.3. SORTING AND GRADING

2.3.1. Initial grading and sorting

The processor shall conduct the initial sorting and grading of finished product and the grades will be approved by the processing manager. The processing manager must inform the monitors once the initial sorting and grading has been completed so that the final grading can commence.

Finished product can be sorted and graded in batches but the processor must ensure that the batches are isolated and secured to avoid product swapping and tampering.

2.3.2. Final sorting and grading

The final grading shall be conducted jointly by the processing manager and the monitors to determine the final grade of each finished product. The final grading shall be used by the processor to offer the finished product for sale to the international market once approval has been obtained from the Department.

2.3.3. Disputed sorting and grading

If there is a dispute over the joint grading of finished product then the product must be isolated, secured and the incident must be reported to the head of the monitors for resolution. The head of the monitors will implement a resolution plan to determine the final grade of the disputed product.

3. SPECIES:

The most common specie of confiscated abalone that will be processed is known as *Haliotis midae*, which is widely distributed around the coastline from St. Helena on the west coast to just north of Port St. Johns along the east coast. The highest concentrations of the resource are located between Cape Columbine and Quoin Point, where most of the commercial fishery was based. Other species of abalone may be confiscated and released to processors to be processed, marketed and sold.

4. QUALITY CHARACTERISTICS:

Six quality characteristics have been defined for the allocation of a quality grade to finished product:

Characteristic	Criteria
Flesh colour	<p>Chemical method: The colour of the flesh is assessed to determine its likeness to a light colour (light green; light brown or caramel colour). <u>optimal:</u> The likeness of the flesh colour to be light.</p> <p>Natural method: The colour of the flesh is assessed to determine its likeness to a brown or dark brown colour. <u>optimal:</u> The likeness of the flesh colour to be brown or dark brown.</p>
Hair / frill	<p>The frill is assessed to determine whether any hairs have been damaged. <u>optimal:</u> a frill that has upright and unbroken hairs</p>
Distinctive markings	<p>The flesh is assessed to determine whether there are any markings (i.e. scratches) on the abductor muscle or foot (cooking cracks on side is acceptable). <u>optimal:</u> Foot and abductor muscle that has no markings</p>
Physical shape	<p>The physical shape of the flesh is assessed to determine its conformity to an oval shape. <u>optimal:</u> flesh that is oval</p>
Thickness	<p>The thickness of the flesh is assessed. <u>optimal:</u> the optimal thickness of the flesh is 1 to 5 cm</p>
Odour	<p>The product should have a fresh smell and should not have any strong odours. <u>optimal:</u> Fresh</p>

5. **QUALITY GRADES:**

Five quality grades have been defined to grade the purity of the dried abalone:

Grade	Purity
A	Premium
B	High grade
C	Medium grade
D	Low grade
D - minus (sub standard)	Inferior

6. **QUALITY SIZING:**

Six size definitions have been defined to support the grading of dried abalone:

Size	Purity
≤ 17	Size 1
18 to 29	Size 2
30 to 60	Size 3
61 to 80	Size 4
81 to 95	Size 5
96+	Size 6

7. **ABALONE GRADING:**

The quality characteristics and size of the dried abalone will be assessed to determine the quality grading. The finished product will be graded to A, B, C, D or D-minus grade so that the product can be marketed and sold to the international market.

7.1. A grade abalone

The specifications to be allocated an A grade are:

Characteristic	Criteria
Flesh colour	<ul style="list-style-type: none">• <u>Chemical</u>: The optimal flesh colour is a light colour (light green; light brown or caramel colour).• <u>Natural</u>: The optimal colour is brown or dark brown.
Hair / frill	<ul style="list-style-type: none">• The hairs are upright and unbroken making a perfect frill
Distinctive markings	<ul style="list-style-type: none">• Light scratches are permitted on the abductor muscle, the foot and on the flesh• Light indentations are permitted
Physical shape	<ul style="list-style-type: none">• An oval shape; no severe deformities
Thickness	<ul style="list-style-type: none">• Range from 1 cm to 5cm
Odour	<ul style="list-style-type: none">• Fresh

7.2. B grade abalone

The specifications to be allocated a B grade are:

Characteristic	Criteria
Flesh colour	<ul style="list-style-type: none">• <u>Chemical</u>: The optimal flesh colour is light (light green; light brown or caramel colour).• <u>Natural</u>: The optimal colour is brown or dark brown.
Hair / frill	<ul style="list-style-type: none">• The hairs and frill are present with some broken/bent hairs

Characteristic	Criteria
Distinctive markings	<ul style="list-style-type: none"> • Cuts and scratches are permitted on both sides of the abalone • No deep lacerations • Indentations are permitted
Physical shape	<ul style="list-style-type: none"> • Likeness to the oval shape
Thickness	<ul style="list-style-type: none"> • Range from 1 to 5cm
Odour	<ul style="list-style-type: none"> • Fresh

7.3. C grade abalone

The specifications to be allocated a C grade are:

Characteristic	Criteria
Flesh colour	<ul style="list-style-type: none"> • <u>Chemical</u>: The optimal flesh colour is light (light green; light brown or caramel colour). • <u>Natural</u>: The optimal colour is brown or dark brown.
Hair / frill	<ul style="list-style-type: none"> • Minimal hair and frill
Distinctive markings	<ul style="list-style-type: none"> • Deep cuts, lacerations and/or indentations are present on abductor muscle. • Some discolouration may be present beneath the abductor muscle • Limited white dots will be permitted
Physical shape	<ul style="list-style-type: none"> • Non-oval and deformed shape
Thickness	<ul style="list-style-type: none"> • No specification: any thickness
Odour	<ul style="list-style-type: none"> • Fresh

7.4. D grade abalone

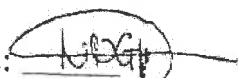
The specifications to be allocated a D grade are:

Characteristic	Criteria
Flesh colour	<ul style="list-style-type: none">• <u>Chemical</u>: black (or dark pitch)• <u>Natural</u>: black (or dark pitch)
Hair / frill	<ul style="list-style-type: none">• No hair and frill
Distinctive markings	<ul style="list-style-type: none">• Deep cuts, lacerations and/or indentations are present
Physical shape	<ul style="list-style-type: none">• The shape must still resemble an abalone
Thickness	<ul style="list-style-type: none">• No specification: any thickness
Odour	<ul style="list-style-type: none">• Fresh to slight putrid smell

7.5. D minus (-) grade abalone/inferior

The specifications to be allocated a D-minus grade are:

Characteristic	Criteria
Flesh colour	<ul style="list-style-type: none">• <u>Chemical</u>: black (or dark pitch)• <u>Natural</u>: black (or dark pitch)
Hair / frill	<ul style="list-style-type: none">• No hair and frill
Distinctive markings	<ul style="list-style-type: none">• Deep cuts, lacerations and/or indentations are present• Soft centres and/or "fat boys"• Rotten on the inside of the flesh
Physical shape	<ul style="list-style-type: none">• The shape must still resemble an abalone
Thickness	<ul style="list-style-type: none">• No specification: any thickness



Characteristic Criteria

Odour

- Chemical: slight odour
- Natural: putrid smell

13.8 Unfit abalone

Abalone that has been processed by the chemical style of preparation and that has a strong odour must be declared unfit. This product will be returned to the Department for disposal.



DIRECTOR-GENERAL

DATE: 27/11/09



From: Esther Theron
To: Betta Coetzee; Nasir Daniels
Date: 2009/11/27 11:30 AM
Subject: Re: Fwd: POLICY FOR THE HANDLING OF CONFISCATED ABALONE

Thanks for the info, Nasir

Betta, can you print from EDMS as she will then have to approve as hard copy to meet the date requirement.

Esther Theron
Deputy Director: Administration
Office of the Director-General
(012) 310 3786
0723223241

>>> Nasir Daniels 2009/11/27 11:07 AM >>>
Hi Esther

It is loaded as EDMS submission Number 46038. We did make a commitment to issue the policy by 27 November 2009 and in order to meet that requirement it was agreed by the MCM management to present both to the DG. Can you possibly request her to sign it as 27 November 2009.

Nasir Daniels
Director: Support Services
Department of Environmental Affairs & Tourism
Branch: Marine and Coastal Management
Cape Town
>>> Esther Theron 11/27/09 7:35 AM >>>
Dear Nasir

Can this wait for DG to consider when it comes to her EDMS?

Esther Theron
Deputy Director: Administration
Office of the Director-General
(012) 310 3786
0723223241

>>> Nasir Daniels 2009/11/26 03:26 PM >>>
Hi DG

Emanating from our OPS meeting this morning, the final improvements have been effected to the policy and norms and standards documents for your approval.
The documents will also be loaded on EDMS shortly.

Nasir Daniels
Director: Facilities Support Management
Department of Environmental Affairs & Tourism
Branch: Marine and Coastal Management
Cape Town

Office: 021 402 3015
Cell: 082 771 88 99

Facsimile: 021 402 3364