

CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY



CAPITAL PROJECT

PROFESSIONAL SERVICES FOR UPGRADING OF BULK SEWER PIPELINE FROM MAYFLOWER TO THE MPULUZI WWTW.

Contract No. ALMP04/2026

Chief Albert Luthuli Local Municipality PO Box 24 CAROLINA 1185 Contact for Administration: Name: Mr James Nkosi Telephone. (017) 843 4025	Chief Albert Luthuli Local Municipality PO Box 24 CAROLINA 1185 Contact for Technical: Name: Ms Mbasakazi Tayi Telephone. (017) 843 4078
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Tenderer
Registration Number:
Total of the prices inclusive of Value Added Tax: R
Amount in Words
.....

CLOSING DATE & TIME: 23 OCTOBER 2026

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MBD 1

1. INVITATION TO BID

PROFESSIONAL SERVICES FOR UPGRADING OF BULK SEWER PIPELINE FROM MAYFLOWER TO THE MPULUZI WWTW.

You are hereby invited to submit proposals for PROFESSIONAL SERVICES FOR UPGRADING OF BULK SEWER PIPELINE FROM MAYFLOWER TO THE MPULUZI WWTW

BID NUMBER: ALMP04/2026

CLOSING DATE: 23 OCTOBER 2026

CLOSING TIME: 12h00

DESCRIPTION: PROFESSIONAL SERVICES FOR UPGRADING OF BULK SEWER PIPELINE FROM MAYFLOWER TO THE MPULUZI WWTW

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

BID DOCUMENTS MAY BE

DEPOSITED IN THE BID BOX SITUATED AT:

- The ground floor in the Chief Albert Luthuli Municipality Head Office in CAROLINA
- Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration.
- The bid box is generally open during normal office hours from 07h30 to 16h30.

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

The following conditions will apply:

- Price(s) of the bid must be valid for at least ninety (90) days from date of your offer.
- Price(s) of the bid must be firm and must be inclusive of VAT.
- Submission of an Original Valid Tax Clearance Certificate from SARS.
- This bid will be evaluated in terms of the 80/20 preference point system as prescribed in the Preferential Procurement Policy Framework Act (No 5 of 2000) and for this purpose the enclosed forms MBD 6.2 must be scrutinized, completed and submitted together with your bid.

The onus lies with applicant to supply proof for any of the criteria in the abovementioned forms. Please note that if no information is supplied, the bidder will score "0" for the applicable section.

- The successful service provider will be the one scoring the highest points.
- No telegraphic or facsimile proposals will be considered.
- The professional service provider must be registered with an appropriate professional body with NQF level 7.
- The professional team proposed must include at least professionally registered engineer.
- The service providers must provide clearance from the municipality where they are based indicating that they are not in arrears with regard to their respective municipal services accounts.

Failure to comply with these conditions will invalidate your offer.

NB: No bids will be considered from persons in the service of the state¹

THE FOLLOWING PARTICULARS MUST BE FURNISHED
(FAILURE TO DO SO WILL RESULT IN YOUR BID BEING DISQUALIFIED)

NAME OF BIDDER

POSTAL ADDRESS

STREET ADDRESS

TELEPHONE NUMBER CODE NUMBER

CELLPHONE NUMBER

FACSIMILE NUMBER CODE NUMBER

VAT REGISTRATION NUMBER

HAS AN ORIGINAL TAX CLEARANCE CERTIFICATE BEEN ATTACHED (MBD 2)? YES/NO

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

(IF YES ENCLOSE PROOF)
SIGNATURE OF BIDDER

DATE

CAPACITY UNDER WHICH THIS BID IS SIGNED

TOTAL BID PRICE.....

ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:

Municipality / Municipal Entity: Chief Albert Luthuli Local Municipality

Department: Supply Chain Management Unit

Contact Person: Mr JA Nkosi

Tel: 017 843 4025

Fax: 017 843 4001

ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:

Contact Person: Ms Mbasakazi Tayi

Tel: 017 843 4084/5

Fax: 017 843 4001

TERMS OF REFERENCE (TOR)

1. Purpose

The Municipality is soliciting proposals from professional service providers.

2. Type of contract

The contract will be a multiyear project. It is anticipated that work will this financial year.

3. Submission of proposals

A single Envelope System will be used. Bidders must submit technical and financial proposals in two envelopes marked clearly **MUNICIPAL MANAGER, CHIEF ALBERT LUTHULI MUNICIPALITY, BID ALMP04/2026, "PROFESSIONAL SERVICES FOR UPGRADING OF BULK SEWER PIPELINE FROM MAYFLOWER TO THE MPULUZI WWTW"**.

The sealed tenders must be deposited in the Tender Box of the Municipality on or before the closing date of 23rd October 2026 at 12:00 where after they will be opened in public. Late proposals will not be accepted\considered as well as those submitted via facsimile or email.

Proposals must be accompanied by:

- completed tender documents
- a company profile, specifically for this project
- curriculum vitae of proposed members of the team, in line with the project
- proof of registration with relevant authorities, and

One original hard copy and one duplicate must be submitted. Failure to submit all required documents will lead to disqualification of the tender.

Proposals must be signed by an authorized agent to bind the service provider to its provisions.

4. Background

The project entails the construction of the Upgrading of bulk sewer pipeline from Mayflower to the Mpuluzi WWTW. This project will serve the Mpuluzi community.

The proposed new infrastructure will consist of the following:

- pavement layers for 2.5km km long.
- Surface with paving bricks 80mm
- Drainage system
- Culverts

5. Project Objectives

The specific objective is to carry out feasibility studies, project proposals, preliminary designs, designs, bid documentation, bid process facilitation and construction supervision and compilation of a proposal that should address:

- Clearing and grubbing of the proposed bulk sewer pipeline route.
- Excavation and backfilling of proposed bulk sewer pipeline.
- Laying, joining and bedding of proposed bulk sewer pipeline (500 mm Ø uPVC UG Class 34) and associated fittings. Total length of pipeline is approximately 6 000 m.
- Construction of pipeline ancillary items such as manholes.
- Connection of existing Mayflower sewer reticulation pipelines to the new bulk sewer pipeline.

- i) technical issues in relation to the required service,
- ii) financial matters (capital costs estimate),
- iii) institutional matters (capacity to own, operate and maintain infrastructure), and
- iv) Environmental considerations regarding the infrastructure development proposals.

6. Scope of Works\Deliverables

The consulting service required is split into the following stages:

- Appointment stage, which will culminate in a clear method statement (definition of scope, an implementation plan) and a signed contract.
- Normal Services as per latest addition of the ECSA Guidelines during the construction stage only:
- Note that bidders must only include the price for specified additional services indicated below:
 - Geotechnical investigation
 - Survey
 - Level 3 Construction Monitoring
 - Preparing detailed operation and maintenance plans
 - Performing operational Health and Safety Act, 1995 duties on behalf of the municipality.

Proposals are invited from a single service provider or consortia. If no single service provider or consortium meets the capacity requirements, the **MUNICIPALITY** reserves the right to request service providers who meet other evaluation criteria to form a consortium for the purpose of this project.

7. Methodology

The service provider will be required to specify the methodology, process and approach to undertake this work.

8. Required expertise, skills and formal qualifications of team members in relation to the project

The team proposed by the service provider must possess the following expertise, skills and formal qualifications:

- Civil Engineering Qualifications with at least one of the team members being a Professional Engineer.
- NQF Level 7 for Labor Intensive Construction qualifications as per EPWP guidelines

9. Project Management

The service provider will be expected to provide **progress reports** monthly to the **MUNICIPALITY** and attend a **monthly Project Steering Committee meeting**, where progress as well as challenges will be discussed.

The service provider will designate one member of its team as a Project Manager who will be the single point of contact for the **MUNICIPALITY** on a regular basis.

10. Evaluation criteria

- A. Adjudication during the bidding process will be subject to: -
- Price
 - Functionality
 - Municipal objectives

- B. The quality criteria and maximum score in respect of each of the criteria are as follows:

Quality Criteria	Sub-Criteria	Weighting
Approach paper which responds of the proposed scope of work/project design and outlines proposed approach/methodology and work plan complete with time frames	Technical approach paper and methodology	10
Organization and staffing	Organogram	15
Experience of the key staff (assigned personnel) in relation to the scope of work	Project Leader	25
	B-Tech/BSc/ BEng & ECSA Registration	10
	LIC Level 7	5
Bidder's experience with respect to specific aspects of the project / comparable projects	-	20
ISO	Certificate	15
Maximum possible score for quality (M_s)		100 points

Quality shall be scored independently by the evaluation committee in accordance with the following schedules:

- Evaluation Schedule: Approach Paper and Methodology
- Evaluation Schedule: Proposed Organisation and Staffing
- Evaluation Schedule: Experience of the key staff
- Evaluation Schedule: Bidder's experience

➤ Approach Paper and Methodology (25)

- The technical approach and / or methodology is poor / is unlikely to satisfy project objectives or requirements. The tenderer has misunderstood certain aspects of the scope of work and does not deal with the critical aspects of the project: **0- 5 points**
- The approach is generic and not tailored to address the specific project objectives and methodology. The approach does not adequately deal with the critical characteristics of the project. The quality plan, way risk is to be managed is too generic: **5-10 points**
- The approach is specifically tailored to address the specific project objectives and methodology and is sufficiently flexible to accommodate changes that may occur during execution. The quality plan and approach to managing risk is specifically tailored to the critical characteristics of the project: **10 -15 points**
- Besides meeting the "good" rating, the important issues are approached in an innovative and efficient way, indicating that the tenderer has outstanding knowledge of state-of-the- art approaches. The approach paper details ways to improve the project outcomes and the quality of the out: **15-25 points**

➤ Organisation & Staffing (15)

- Organisational Structure attached, with no qualifications attached : 5 points
- Organisational Structure attached with qualifications attached : 10 points

➤ **Experience of Project Leader: attach a detailed Curriculum Vitae with contactable references (25)**

- With 0–2-years' experience in Civil engineering (local government) in senior management level: 5 points
- With 3-4 years' experience in Civil engineering (local government) in senior management level: 15 points
- With 5-6 years' experience in Civil engineering (local government) in senior management level: 20 points
- With > 6 years' experience in Civil engineering (local government) in senior management level: 25 Points

➤ **General Qualification (15)**

- At least one person with diploma in civil engineering: 5 points
- At least one person with degree in civil engineering: 10 points
- At least one person with postgraduate and above in civil engineering: 15 points

➤ **Bidder's experience with similar projects. (20)**

Item	Company Experience	Points allocation	Tick the applicable one	Points by the municipality
1.	0 to 2 appointment letters with contactable reference letters.	5		
2.	3-5 appointment letters with contactable reference letters.	15		
3.	6 or above appointment letters with contactable reference letters.	20		
TOTAL POINTS OBTAINED				

The minimum number of evaluation points for quality is **60**. Bidders who score below 60 points will be eliminated from the process.

C. Point Systems:

- The lowest acceptable tender will determine the Preferential point system to be used: 80/20 or 90/10

D. Price/Functionality Formula:

Price formula

The formula to be used to calculate the points for price is as follows:

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

where

Ps = Points score for price

Pt = Comparative price of bid under consideration

Pmin = Comparative price of the lowest acceptable bid

E. Preference

In terms of the Chief Albert Luthuli Municipality Preferential Procurement policy whereby 80/90 points will be awarded for price, and 20/10 points will be awarded in terms of the following objectives:

- Enterprises that are at least 50% women-owned (maximum 5/2.5 points)
- Enterprises that are at least 50% owned by disabled persons (maximum 5/2.5 points))
- Enterprises with at least a 50% ownership by Youth (maximum 5/2.5 points)
- Locality Chief Albert Luthuli Municipality (maximum 5/2.5 points)

11. Project Duration

It is anticipated that work will begin in 2026/27 financial year and it will be a multiyear project

12. Briefing session: Not applicable

C1.1 FORM OF OFFER AND ACCEPTANCE

OFFER

The employer, identified in the acceptance signature block, has solicited offers to enter a contract in respect of the following works:

ALMP04/2026

**PROFESSIONAL SERVICES FOR UPGRADING OF BULK SEWER PIPELINE FROM
MAYFLOWER TO THE MPULUZI WWTW**

The tenderer, identified in the offer signature block, has examined the documents listed in the tender data and addenda thereto as listed in the tender schedules, and by submitting this offer has accepted the conditions of tender.

By the representative of the tenderer, deemed to be duly authorized, signing this part of this form of offer and acceptance, the tenderer offers to perform all of the obligations and liabilities of the contractor under the contract including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined in accordance with the conditions of contract identified in the contract data.

THE OFFERED TOTAL OF THE PRICES INCLUSIVE OF VALUE ADDED TAX IS:

.....

..... Rand (in words);

R. (in figures)

This offer may be accepted by the employer by signing the acceptance part of this form of offer and acceptance and returning one copy of this document to the tenderer before the end of the period of validity stated in the tender data, whereupon the tenderer becomes the party named as the contractor in the conditions of contract identified in the contract data.

Signature Date

Name

Capacity

for the tenderer

(Name and
address of
organization)

.....

Name and signature

of witness

ACCEPTANCE

By signing this part of this form of offer and acceptance, the employer identified below accepts the tenderer's offer. In consideration thereof, the employer shall pay the contractor the amount due in accordance with the conditions of contract identified in the contract data. Acceptance of the tenderer's offer shall form an agreement between the employer and the tenderer upon the terms and conditions contained in this agreement and in the contract that is the subject of this agreement.

The terms of the contract, are contained in:

Part C1: Agreements and contract data, (which includes this agreement)

Part C2: Pricing data

Part C3: Scope of work

and drawings and documents or parts thereof, which may be incorporated by reference into Parts 1 to 4 above.

Deviations from and amendments to the documents listed in the tender data and any addenda thereto as listed in the tender schedules as well as any changes to the terms of the offer agreed by the tenderer and the employer during this process of offer and acceptance, are contained in the schedule of deviations attached to and forming part of this agreement. No amendments to or deviations from said documents are valid unless contained in this schedule, which must be duly signed by the authorized representatives of both parties.

The tenderer shall within 28 days after receiving a completed copy of this agreement, including the schedule of deviations (if any), contact the employer's agent (whose details are given in the contract data) to arrange the delivery of any bonds, guarantees, proof of insurance and any other documentation to be provided in terms of the conditions of contract identified in the contract data. Failure to fulfil any of these obligations in accordance with those terms shall constitute a repudiation of this agreement.

Notwithstanding anything contained herein, this agreement comes into effect on the date when the tenderer receives one fully completed original copy of this document, including the schedule of deviations (if any). Unless the tenderer (now contractor) within five working days of the date of such receipt notifies the employer in writing of any reason why he cannot accept the contents of this agreement, this agreement shall constitute a binding contract between the parties.

Signature Date

Name

Capacity

for the

Employer

CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY

PO BOX 24

CAROLINA

1185

Name and
signature

of witness

Date

.....

SCHEDULE OF DEVIATIONS

Notes:

1. The extent of deviations from the tender documents issued by the Employer prior to the tender closing date is limited to those permitted in terms of the Conditions of Tender.

2. A tenderer's covering letter shall not be included in the final contract document. Should any matter in such, letter, which constitutes a deviation as aforesaid become the subject of agreements reached during the process of, offer and acceptance, the outcome of such agreement shall be recorded here.

3. Any other matter arising from the process of offer and acceptance either as a confirmation, clarification or change to the tender documents and which it is agreed by the parties becomes an obligation of the contract shall also be recorded here.

4. Any change or addition to the tender documents arising from the above agreements and recorded here shall also be incorporated into the final draft of the Contract.

1 Subject
Details

2 Subject
Details

3 Subject
Details

4 Subject
Details

5 Subject
Details

6 Subject
Details

7 Subject
Details

8 Subject
Details

8 Subject
Details

.....
.....
9 Subject
Details
.....
.....
.....

By the duly authorized representatives signing this agreement, the employer and the tenderer agree to and accept the foregoing schedule of deviations as the only deviations from and amendments to the documents listed in the tender data and addenda thereto as listed in the tender schedules, as well as any confirmation, clarification or changes to the terms of the offer agreed by the tenderer and the employer during this process of offer and acceptance.

It is expressly agreed that no other matter whether in writing, oral communication or implied during the period between the issue of the tender documents and the receipt by the tenderer of a completed signed copy of this Agreement shall have any meaning or effect in the contract between the parties arising from this agreement.

For the Tenderer:

For the Employer:

..... Signature

..... Name

..... Capacity

Name and address of organisation:

Name and address of organisation:

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

..... Witness Signature

..... Witness Name

..... Date

C1. SPECIAL CONDITIONS OF CONTRACT

1. Tenders are hereby invited to submit proposals for professional services providers to assist the municipality.
2. Price(s) of the bid, which must be firm and VAT inclusive, must be valid for at least ninety (90) days from date of your offer.
3. The successful professional service provider, who must be registered as a service provider with the applicable professional body, will be the one scoring the highest points.
4. The successful service providers must provide clearance from the where municipality they are based indicating that they are not in arrears with regard to their respective municipal services accounts.
5. Bidders must initial all the pages of the Bid document and sign the Bidder particulars page in full.
6. Bidders must complete the original Bid document in black ink, and notice must be taken that tip-ex may not be used in the document.
7. The transaction shall be subject to any stipulations in any Act, Ordinance or By-law pertaining thereto.
8. No proposals by any person that is not competent to enter into an agreement will be considered and if it is established that it is the case, the contract agreement in this regard will be considered null and void by Council.

Disputes must be settled by means of mutual consultation, mediation (with or without legal representation) or when unsuccessful, in a South African court of law on an attorney and client scale.

Should any legal action be deemed necessary to determine any aspect arising out of these conditions or to enforce any rights in terms of these conditions, then and in that event the parties hereto agree categorically to the jurisdiction of the Magistrate's Court to hear such action and to pass judgment notwithstanding the fact that the cause of action is beyond the jurisdiction of the Court: Provided always that Council shall have the right in its sole discretion to take action in any competent higher court in any matter exceeding the ordinary jurisdiction of the Magistrate's Court.

Council reserves the right to accept any cost proposal in a tender submitted or part thereof and will not be obliged to accept the lowest tender price submitted in a tender OR any cost proposal submitted.

C2. PRICING SCHEDULE

(Professional Services)

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

OFFER TO BE VALID FORDAYS FROM THE CLOSING DATE OF BID.

Fill in the table below:

Item	Project Phase	Normal Claimable Fees	Rate	Amount
1	Inception	5 %		
2	Concept and Viability	25 %		
3	Design Development	25 %		
4	Documentation and Procurement	15 %		
5	Contract administration and Inspection	25 %		
6	Close – Out	5 %		
	Total	100 %		

ADDITIONAL SERVICES

Item	Project Phase	Normal Claimable Fees	Rate	Amount
7	Time-basis Construction Monitoring	24 Months		
8	Construction Monitoring Travel costs	24 Months		
9	Geotechnical investigations	1 Sum		
11	Surveying and Mapping	1 Sum		
12	Documentation and Printing	1 Sum		
13	OHS	1 Sum		
	Total Professional Fees			
	10% Contingencies			
	Subtotal A			
	15 VAT			
	Total Project Professional Fees			

C3. SCOPE OF WORK

C3.1 Client's Objective

The appointment for provision of consulting engineer services are requested for the planning, preliminary design report (PDR), detailed design, drafting, construction specification, tender documentation and tender evaluation, construction supervision, monitoring and successful completion of the project for the Chief Albert Luthuli Municipality.

C3.1.2 Overview of the Works

In order to ensure service delivery and ensure that the projects are finished before the end of relevant years, the municipality has decided to call for proposals to complete the above-mentioned project.

C3.1.3 Extent of the Works

The work to be carried out by the consultant under this contract comprises mainly of the following:

- a) The preliminary and detailed design for the above-mentioned project
- b) Compiling of Tender Documentation & Procurement specification
- c) Liaison with the Chief Albert Luthuli Municipality for the Tender advertisement of the project
- d) Manage the appointment of an Environmental consultant
- e) Manage the appointment of an OH&S consultant
- f) Provide Contract administration and supervision
- g) Successful completion and finalization of project
- h) Submission of Close-Out report (Closure and final Report) and As-Builts drawings

Note: Following the completion of the designs, the Service provider will be called on by the project manager to come and present to the Project Management Unit for approval of the designs before tender documentation is finalized.

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state¹.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.
- 3 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

3.1 Full Name of bidder or his or her representative:.....

3.2 Identity Number:

3.3 Position occupied in the Company (director, trustee, shareholder²):.....

3.4 Company Registration Number:

3.5 Tax Reference Number:.....

3.6 VAT Registration Number:

3.7 The names of all directors / trustees / shareholders members, their individual identity numbers and state employee numbers must be indicated in paragraph 4 below.

3.8 Are you presently in the service of the state? **YES / NO**

3.8.1 If yes, furnish particulars.

.....

¹MSCM Regulations: "in the service of the state" means to be –

(a) a member of –

- (i) any municipal council;
- (ii) any provincial legislature; or
- (iii) the national Assembly or the national Council of provinces;

(b) a member of the board of directors of any municipal entity;

(c) an official of any municipality or municipal entity;

(d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);

(e) a member of the accounting authority of any national or provincial public entity; or

(f) an employee of Parliament or a provincial legislature.

² Shareholder" means a person who owns shares in the company and is actively involved in the management of the company or business and exercises control over the company.

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

3.9.1 If yes, furnish particulars

.....
.....

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

3.10.1 If yes, furnish particulars.

.....
.....

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

3.11.1 If yes, furnish particulars

.....
.....

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

3.12.1 If yes, furnish particulars.

.....
.....

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

3.13.1 If yes, furnish particulars.

.....
.....

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

3.14.1 If yes, furnish particulars:

.....
.....

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

Full Name	Identity Number	State Employee Number

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

MBD 6.1

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

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

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF MUNICIPAL OBJECTIVES, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022.

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids:

- the 80/20 system for requirements with a Rand value of up to 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

- a) The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable; or
- b) Either the 80/20 or 90/10 preference point system will be applicable to this tender.

1.3 Points for this bid shall be awarded for:

- (a) Price; and
- (b) Municipal objectives.

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

	POINTS
PRICE	
MUNICIPAL OBJECTIVES	
Total points for Price and Municipal objectives must not exceed	100

1.5 Chief Albert Luthuli Municipality Preferential Procurement policy whereby 80 points will be awarded for price and 20 points will be awarded in terms of the following objectives:

- Enterprises that are at least 50% women-owned (maximum 5 points)
- Enterprises that are at least 50% owned by disabled persons (maximum 5 points)
- Enterprises with at least a 50% ownership by Youth (maximum 5 points)
- Locality within Chief Albert Luthuli Municipality (maximum 5 points)

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

2. DEFINITIONS

- (a) “**B-BBEE**” means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) “**B-BBEE status level of contributor**” means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) “**bid**” means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) “**Broad-Based Black Economic Empowerment Act**” means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) “**EME**” means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) “**functionality**” means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) “**prices**” includes all applicable taxes less all unconditional discounts;
- (h) “**QSE**” means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (i) “**rand value**” means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

3.1 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

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right) \quad \text{or} \quad P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

P_s = Points scored for price of bid under consideration

P_t = Price of bid under consideration

$P_{\min}$ = Price of lowest acceptable bid

4. SUB-CONTRACTING

4.1 Will any portion of the contract be sub-contracted?

(**Tick applicable box**)

YES		NO	
-----	--	----	--

4.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted.....%
- ii) The name of the sub-contractor.....
- iii) The B-BBEE status level of the sub-contractor.....
- iv) Whether the sub-contractor is an EME or QSE

(**Tick applicable box**)

YES		NO	
-----	--	----	--

- v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations, 2022:

Designated Group: An EME or QSE which is at least 51% owned by:	EME √	QSE √
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
OR		
Any EME		
Any QSE		

5. DECLARATION WITH REGARD TO COMPANY/FIRM

5.1 Name of company/firm:.....

5.2 VAT registration number:.....

5.3 Company registration number:.....

5.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

5.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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

5.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

5.7 MUNICIPAL INFORMATION

Municipality where business is situated:

Registered Account Number:

Stand Number:.....

5.8 Total number of years the company/firm has been in business:.....

5.9 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the

contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;

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

- (a) disqualify the person from the bidding process;
- (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
- (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
- (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution.

WITNESSES

1.

2.

.....
SIGNATURE(S) OF BIDDERS(S)

DATE:

ADDRESS

.....

.....

MBD 6.2

DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS

This Municipal Bidding Document (MBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2017, the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

1. General Conditions

- 1.1. Preferential Procurement Regulations, 2017 (Regulation 8) make provision for the promotion of local production and content.
- 1.2. Regulation 8.(2) prescribes that in the case of designated sectors, organs of state must advertise such tenders with the specific bidding condition that only locally produced or manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for tenders referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

$$LC = [1 - x / y] * 100$$

Where

- x is the imported content in Rand
y is the bid price in Rand excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid as indicated in paragraph 4.1 below.

The SABS approved technical specification number SATS 1286:2011 is accessible on [http://www.thedti.gov.za/industrial development/ip.jsp](http://www.thedti.gov.za/industrial%20development/ip.jsp) at no cost.

- 1.6. A bid may be disqualified if this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation;

2. The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:

Description of services, works or goods	Stipulated minimum threshold
_____	_____ %
_____	_____ %
_____	_____ %

3. Does any portion of the goods or services offered have any imported content?

(Tick applicable box)

YES	☐	NO	☐
-----	--------------------------	----	--------------------------

- 3.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by SARB for the specific currency at 12:00 on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on www.reservebank.co.za

Indicate the rate(s) of exchange against the appropriate currency in the table below (refer to Annex A of SATS 1286:2011):

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

4. Where, after the award of a bid, challenges are experienced in meeting the stipulated minimum threshold for local content the dti must be informed accordingly in order for the dti to verify and in consultation with the AO/AA provide directives in this regard.

LOCAL CONTENT DECLARATION

(REFER TO ANNEX B OF SATS 1286:2011)

**LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON
NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT
RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)**

IN RESPECT OF BID NO.

ISSUED BY: (Procurement Authority / Name of Institution):

NB

- 1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.

- 2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on http://www.thdti.gov.za/industrial_development/ip.jsp. Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

I, the undersigned, (full names),
do hereby declare, in my capacity as
of(name of bidder entity), the following:

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that:
- (i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and
- (c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

Bid price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2011	R
Stipulated minimum threshold for local content (paragraph 3 above)	
Local content %, as calculated in terms of SATS 1286:2011	

If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above.

The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E.

- (d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.
- (e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 14 of the Preferential Procurement Regulations, 2017 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

SIGNATURE: _____

DATE: _____

WITNESS No. 1 _____

DATE: _____

WITNESS No. 2 _____

DATE: _____

MBD 8

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

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

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's database as a company or person prohibited from doing business with the public sector? (Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the <i>audi alteram partem</i> rule was applied).	Yes ☐	No ☐
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? (To access this Register enter the National Treasury's website, www.treasury.gov.za, click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 3265445).	Yes ☐	No ☐
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes ☐	No ☐
4.3.1	If so, furnish particulars:		
Item	Question	Yes	No

4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes ☐	No ☐
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes ☐	No ☐
4.7.1	If so, furnish particulars:		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)

CERTIFY THAT THE INFORMATION FURNISHED ON THIS

DECLARATION FORM TRUE AND CORRECT.

I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....

Signature

.....

Date

.....

Position

.....

Name of Bidder

MBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a. take all reasonable steps to prevent such abuse;
 - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

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

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

MBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

Chief Albert Luthuli Municipality
(Name of Municipality / Municipal Entity)

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

I certify, on behalf of: _____ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.

9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

CONTRACT FORM - RENDERING OF SERVICES

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

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

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

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

WITNESSES

1

2

DATE:

MBD 7.2

CONTRACT FORM - RENDERING OF SERVICES
PART 2 (TO BE FILLED IN BY THE PURCHASER)

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

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

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

SIGNED AT ON

NAME (PRINT)

SIGNATURE

OFFICIAL STAMP

WITNESSES

1

2

DATE: