



**RAND WEST CITY**  
LOCAL MUNICIPALITY

RAND WEST CITY LOCAL MUNICIPALITY

**RWCLM-3/005/2021/2022**  
**TENDER DOCUMENT**

**APPOINTMENT OF A SERVICE PROVIDER FOR THE SUPPLY OF SMART PREPAID  
WATER METERS, SMART-VENDING SYSTEM, REVENUE ENHANCEMENT AND  
WATER BALANCING FOR RAND WEST CITY LOCAL MUNICIPALITY FOR A  
PERIOD OF 36 MONTHS.**

**Name of Tenderer :** \_\_\_\_\_  
**Address :** \_\_\_\_\_  
\_\_\_\_\_  
**Tel. Number :** \_\_\_\_\_  
**Cell number :** \_\_\_\_\_  
**Fax number :** \_\_\_\_\_  
**E-mail :** \_\_\_\_\_  
**Total Amount R:** \_\_\_\_\_

**ISSUED BY;**

**THE MUNICIPAL MANAGER**

Rand West City Local

Municipality

P O Box 218

**Randfontein**

1760

Tel: 011 411 0051

Fax: 011 693 3865

## Special conditions of contract and required documentation

The following mandatory documents must be submitted with the tender document and failure to submit either will lead to your submission being declared non-responsive:

- Prices must be valid for at least ninety (90) days from the closing date and must be inclusive of VAT if the bidder is a VAT vendor.
- A valid Tax Clearance Certificate and Tax Compliance status document with PIN from SARS.
- Proof of registration with the National Treasury Central Supplier Database (a bidder must attach CSD registration report with Supplier No. and Unique Code).
- Original BBBEE certificate, certified copy or a certified original copy of EME or QSE verified affidavit in the case of EMEs and QSEs. Failure to submit either will lead in the bidder scoring no points for BBBEE. Must be a consolidated certificate for Joint Ventures.
- Certified copies of Company Registration Documents and ID copies of company directors
- Completed MBD FORMS.
- A current municipal account statement reflecting the bidder is not in arrears for more than 3 months, lease agreement or SAPS affidavit stating that the bidder not obliged to pay municipal rates.

**NB: No bids will be considered from persons in the service of the state.**

**BIDDERS SHOULD ALSO TAKE NOTE OF THE FOLLOWING BID CONDITIONS:**

- The Rand West City Local Municipality Supply Chain Management Policy will apply.
- The Rand West City Local Municipality does not bind itself to accept the lowest bid or any other bid and reserves the right to accept the bid in whole or in part.
- Bids, which are late, incomplete, unsigned, faxed or sent electronically, will not be accepted.
- The latest General Conditions of Contract and any Special Conditions of Contract will apply.
- The bid will be evaluated on local production content the minimum threshold as stipulated by the DTI in each designated sector will apply.
- For all procurement that exceed 10 Million, (all application taxes included) bidders must submit the audited annual financial statements for the past three years.
- The municipality reserve the right for appoint more than one service provider.
- CIDB grading 8CE.7CE PE

### **The Compulsory Briefing Session as Follows:**

**Date: 25 March 2022**

**Time: 10:00am**

**Venue: Supply Chain Offices, CNR Fedler and Second Street, Randfontein**

Failure to comply with these conditions may invalidate your offer.

### **Acknowledgement**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



## PART A INVITATION TO BID

|                                                                                                                                                                       |                                                                                                                                                                                                               |               |                                                                                                              |                                |                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------------------------------------------------------------------|
| <b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF MUNICIPALITY/ MUNICIPAL ENTITY)</b>                                                                 |                                                                                                                                                                                                               |               |                                                                                                              |                                |                                                                                            |
| BID NUMBER:                                                                                                                                                           | RWCLM-3/005/2021/2022                                                                                                                                                                                         | CLOSING DATE: | 26 APRIL 2022                                                                                                | CLOSING TIME:                  | 11:00                                                                                      |
| DESCRIPTION                                                                                                                                                           | Appointment of a service provider for the supply of smart prepaid water meters, smart-vending system, revenue enhancement and water balancing for Rand West City Local Municipality for a period of 36 months |               |                                                                                                              |                                |                                                                                            |
| <b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).</b>                                                                     |                                                                                                                                                                                                               |               |                                                                                                              |                                |                                                                                            |
| BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX<br>SITUATED AT (STREET ADDRESS)                                                                                |                                                                                                                                                                                                               |               |                                                                                                              |                                |                                                                                            |
| CNR Fedler and Second Street                                                                                                                                          |                                                                                                                                                                                                               |               |                                                                                                              |                                |                                                                                            |
| Randfontein                                                                                                                                                           |                                                                                                                                                                                                               |               |                                                                                                              |                                |                                                                                            |
| 1760                                                                                                                                                                  |                                                                                                                                                                                                               |               |                                                                                                              |                                |                                                                                            |
|                                                                                                                                                                       |                                                                                                                                                                                                               |               |                                                                                                              |                                |                                                                                            |
|                                                                                                                                                                       |                                                                                                                                                                                                               |               |                                                                                                              |                                |                                                                                            |
| <b>SUPPLIER INFORMATION</b>                                                                                                                                           |                                                                                                                                                                                                               |               |                                                                                                              |                                |                                                                                            |
| NAME OF BIDDER                                                                                                                                                        |                                                                                                                                                                                                               |               |                                                                                                              |                                |                                                                                            |
| POSTAL ADDRESS                                                                                                                                                        |                                                                                                                                                                                                               |               |                                                                                                              |                                |                                                                                            |
| STREET ADDRESS                                                                                                                                                        |                                                                                                                                                                                                               |               |                                                                                                              |                                |                                                                                            |
| TELEPHONE NUMBER                                                                                                                                                      | CODE                                                                                                                                                                                                          |               | NUMBER                                                                                                       |                                |                                                                                            |
| CELLPHONE NUMBER                                                                                                                                                      |                                                                                                                                                                                                               |               |                                                                                                              |                                |                                                                                            |
| FACSIMILE NUMBER                                                                                                                                                      | CODE                                                                                                                                                                                                          |               | NUMBER                                                                                                       |                                |                                                                                            |
| E-MAIL ADDRESS                                                                                                                                                        |                                                                                                                                                                                                               |               |                                                                                                              |                                |                                                                                            |
| VAT REGISTRATION NUMBER                                                                                                                                               |                                                                                                                                                                                                               |               |                                                                                                              |                                |                                                                                            |
| TAX COMPLIANCE STATUS                                                                                                                                                 | TCS PIN:                                                                                                                                                                                                      |               | OR                                                                                                           | CSD No:                        |                                                                                            |
| B-BBEE STATUS LEVEL<br>VERIFICATION CERTIFICATE<br>[TICK APPLICABLE BOX]                                                                                              | <input type="checkbox"/> Yes<br><br><input type="checkbox"/> No                                                                                                                                               |               | B-BBEE<br>STATUS LEVEL<br>SWORN<br>AFFIDAVIT <input type="checkbox"/> Yes<br><br><input type="checkbox"/> No |                                |                                                                                            |
| <b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b> |                                                                                                                                                                                                               |               |                                                                                                              |                                |                                                                                            |
| ARE YOU THE ACCREDITED<br>REPRESENTATIVE IN SOUTH<br>AFRICA FOR THE GOODS<br>/SERVICES /WORKS OFFERED?                                                                | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><br>[IF YES ENCLOSE PROOF]                                                                                                                        |               | ARE YOU A<br>FOREIGN BASED<br>SUPPLIER FOR<br>THE GOODS<br>/SERVICES<br>/WORKS<br>OFFERED?                   |                                | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><br>[IF YES, ANSWER PART B:3 ] |
| TOTAL NUMBER OF ITEMS<br>OFFERED                                                                                                                                      |                                                                                                                                                                                                               |               | TOTAL BID PRICE                                                                                              | R                              |                                                                                            |
| SIGNATURE OF BIDDER                                                                                                                                                   |                                                                                                                                                                                                               |               | DATE                                                                                                         |                                |                                                                                            |
| CAPACITY UNDER WHICH THIS<br>BID IS SIGNED                                                                                                                            |                                                                                                                                                                                                               |               |                                                                                                              |                                |                                                                                            |
| <b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>                                                                                                                |                                                                                                                                                                                                               |               | <b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>                                                             |                                |                                                                                            |
| DEPARTMENT                                                                                                                                                            | SCM                                                                                                                                                                                                           |               | CONTACT PERSON                                                                                               | Henk Botha                     |                                                                                            |
| CONTACT PERSON                                                                                                                                                        | Cecilia Mofokeng                                                                                                                                                                                              |               | TELEPHONE NUMBER                                                                                             | 011 411 0424                   |                                                                                            |
| TELEPHONE NUMBER                                                                                                                                                      | 011 411 0426                                                                                                                                                                                                  |               | FACSIMILE NUMBER                                                                                             |                                |                                                                                            |
| FACSIMILE NUMBER                                                                                                                                                      |                                                                                                                                                                                                               |               | E-MAIL ADDRESS                                                                                               | Henk.botha@randwestcity.gov.za |                                                                                            |
| E-MAIL ADDRESS                                                                                                                                                        | cecilia.mofokeng@randwestcity.gov.za                                                                                                                                                                          |               |                                                                                                              |                                |                                                                                            |

## PART B TERMS AND CONDITIONS FOR BIDDING

|                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. BID SUBMISSION:</b>                                                                                                                                                                                                         |                                                                                                                                                                                                                                     |
| 1.1.                                                                                                                                                                                                                              | BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.                                                                                                             |
| 1.2.                                                                                                                                                                                                                              | ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED-(NOT TO BE RE-TYPED) OR ONLINE                                                                                                                                            |
| 1.3.                                                                                                                                                                                                                              | THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT. |
| <b>2. TAX COMPLIANCE REQUIREMENTS</b>                                                                                                                                                                                             |                                                                                                                                                                                                                                     |
| 2.1                                                                                                                                                                                                                               | BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.                                                                                                                                                                          |
| 2.2                                                                                                                                                                                                                               | BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.                                                         |
| 2.3                                                                                                                                                                                                                               | APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.        |
| 2.4                                                                                                                                                                                                                               | FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.                                                                                                                                                            |
| 2.5                                                                                                                                                                                                                               | BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.                                                                                                                                                            |
| 2.6                                                                                                                                                                                                                               | IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.                                                                                      |
| 2.7                                                                                                                                                                                                                               | WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.                                                                                                       |
| <b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>                                                                                                                                                                              |                                                                                                                                                                                                                                     |
| 3.1.                                                                                                                                                                                                                              | IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>                                                                         |
| 3.2.                                                                                                                                                                                                                              | DOES THE ENTITY HAVE A BRANCH IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>                                                                                               |
| 3.3.                                                                                                                                                                                                                              | DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>                                                                              |
| 3.4.                                                                                                                                                                                                                              | DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>                                                                                   |
| 3.5.                                                                                                                                                                                                                              | IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>                                                                               |
| <p><b>IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.</b></p> |                                                                                                                                                                                                                                     |

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

SIGNATURE OF BIDDER: .....

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

DATE: .....

## 1. DISCUSSION

RWCLM hereby invites prospective service providers to provide a detailed and comprehensive proposals for smart prepaid water meters, smart-vending system, revenue enhancement and deployment of water balancing techniques for a period of 36 months.

In addition to the technical proposal; the service provider must outline how the solution will be funded and repayment be settled within a 36-month contracted period.

The technical proposal must further outline how it will be implemented and managed. The proposal structure should include, but not limited to the following sections: -

- Section A – Prepaid Water Vending System
- Section B – Third Party Vending and Vendor Management
- Section C – Meter Supply and Installation
- Section D – Revenue Protection (proposals)
- Section E - Water Balancing & Revenue Assurance Dashboard
- Section F – Funding Model

The municipality intends appointing a single service provider that will fund and provide all the relevant services/solutions on a turn-key basis. It is therefore important to confirm your qualification as set-out in this specifications described in the following sections hereafter.

### **Compliance with Specification**

The prospective bidder must indicate in their bid how they will comply with specification set out in this tender; including funding the project.

### **Important Notes:**

- It is expected that the Capital Repayment is concluded within the 36 months contract period,
- The status of hardware ownership should be indicated during and after the contract period
- If the submission is from a single entity; that entity must meet all the requirements of this tender
- If the submission is from a joint venture; that entity must meet all the requirements of this tender
- If the submission is from a consortium; then at least one of the members must jointly or separately meet all the requirements of this tender

## 2. PROJECT OBJECTIVE

The objective of this project is to appoint a service provider who will provide capital Investment and execution for the supply of Smart Prepaid Water Meters, Smart-Vending System, Revenue Enhancement and Water Balancing for Rand West City Local Municipality, for a period of 36 months

It is expected that the project will consider to address job creation; and maximum retention of project expenditure within the local community through the employment of local labour, local subcontractor, and sourcing from local material suppliers.

The works will comprise of the following: supply, installation, reading, maintaining, and vending of 5 000 prepaid water meters; including a few Bulk and Zonal meters within the Rand West City Local Municipality jurisdiction. This contract should also cover the managing and maintenance of analogue/digital prepaid water meters already installed in Bekkersdal and Thusanang for RWCLM.

The description listed hereunder is merely an outline of the works to be done in terms of the Contract and shall not limit the work to be carried out by the service provider for improving the Municipality revenues within the contract period.

## 3. SUMMARY OF THE WORKS

The Works to be carried out by the service provider under this contract also comprise of the supply, installation, and maintenance of a master server to be always mounted and should reside at the RWCLM IT Department offices; and to be provided with a backup device together with main server. Vending services and all associated equipment for Water tariffs and revenue to support the 20 existing Rand West City cashiers.

Tenders will also be required to provide the following:

- Record meter details of existing meter, Consumer details, Physical address
- Provide vending units in all areas
- Operation and maintenance of meters
- Reading of meters for the period of three years
- Produce monthly reports
- Maintain/replace meters that are analogue to digital
- Ability to undertake the TDI rollover on all meters
- Determine the losses using the water balancing techniques from all the meters installed under this project

### **Training and development of local communities/cooperatives**

As a qualification criteria for all bidders; the RWCLM require a structured training programme to be implemented by the service provider to empower local communities where possible within the value chain.

The service provider will be required to train, develop, and facilitate participation by local communities through corporative or other available vehicles. This has to be established in consultation with the municipality.

The youth will be prioritised in incorporating them into the project where they will be encouraged to participate in functions, such as management of sales points for vending tokens, auditing of meters, installation of meters, reading of meters and maintenance of prepaid meters through suitable business structures where possible to stimulate local economic conditions.

### **Training and development of RWCLM Personnel**

The service provider will be required to train and develop the RWCLM Finance Department Personnel.

A training of a maximum of 20 Finance Department and other relevant personnel over 5 days for each year over 3 years is required at the cost to the successful bidder.

This training should also be extended to the technical personnel on technical areas to sustain the project after the contract period.

### **Reporting**

The reports will need to be generated through an AMI platform and submitted on a daily, monthly, quarterly, and yearly for the duration of the project for approval by the Engineers - soft copy and hard copy - A4 bound with an editable format agreed prior with the Engineers CD for each report.

To include:

The above reporting should not be limited to the items listed below:

- Facility/Households details, such a Consumer details, meter number, etc
- Audit results and normalisation performed
- Total Sales and a breakdown of individual meter sales making up the total
- Reconciliation of sales in Vending units vs Prepaid meter readings
- Identification of out-of-range consumptions
- Report leaking meters and illegal connections
- Report faulty meters before replacing them and the type of fault to the Engineers
- Commercial bulk consumptions and charges
- Losses from the water balancing exercise

## 4. EXTENT OF THE WORKS

### 4.1. SECTION A: PREPAID WATER VENDING SYSTEM

#### 1. Scope

- 1.1 Supply, install, and maintenance of a Prepaid Vending and management solution using on-line technology to vend tokens in a secure and efficient way.

#### 2. General

- 2.1 No bid will be considered unless accompanied by a full description and technical details of the solution offered. Any special features shall be detailed.
- 2.2 Only bidders who can offer a fully functional system, preferably STS 6 compliant, which can be demonstrated, will be considered.
- 2.3 The system offered must run on a latest operating systems and applications, comprising a complete and fully functional prepayment vending and management system including all the operating and database modules needed to operate such a system.
- 2.4 The system should have the ability to integrate with the Municipality systems such as billing, ICT, etc. who encourage a machine-to-machine connectivity.
- 2.5 The minimum hardware, software, and communications requirements on which to run the system shall be specified for all the different components of the system and must be compatible with the RWCLM ICT environment.
- 2.6 The system shall provide for the following types of payment:
  - Cash
  - Credit Card
  - Debit Card
  - Bank Transfer

The system should also provide other innovation solutions to facilitate convenience for the consumer in terms of purchasing

- 2.7 The system shall vend on-line to all installed, existing and commissioned prepayment meters in the municipal area of supply.
- 2.8 All system functions shall be accessed via a user-friendly graphics user interface.
- 2.9 The prepayment meters shall accept all codes generated by the system to a valid STS compliant meter and shall not reject the code generated.
- 2.10 The system shall have the ability to collect arrears from the consumer by leveraging the prepayment transaction according to a unique formula for each consumer.

- 2.11 The system shall be capable of interfacing with RWCLM's GIS and other 3<sup>rd</sup> party systems.
- 2.12 The system shall be operational on a 24 X 7 X 365 basis.

### **3. Customer Reference**

- 3.1 RWCLM may wish to contact one or more of your reference clients during the detailed evaluation period. Please provide contact names and details of the individuals who should be contacted in this regard.
- 3.2 Please prepare your reference clients for this contact. All contacts with your reference clients will be arranged through yourselves, but RWCLM reserves the right to conduct these information-sharing sessions without representatives from your company being present.

### **4. Reporting System**

- 4.1. The vending solution shall include a dedicated reporting environment that runs on proven reporting software.
- 4.2. RWCLM shall have access to a full set of online standard management reports.

### **5. Online Customer Contract Management**

- 5.1. The system shall have the ability to perform online customer contract management via any standard web browser.
- 5.2. The following functionality shall be available via the online Customer Contract Management web application:
  - Creating new Customers
  - Creating new Points of Connection
  - Updating Customer details
  - Updating Point of Connection details
  - Link Customers, Points of Connection, Meters
  - Perform Advanced Customer, Point-of-Connection and Meter data lookups
- 5.3. The system shall support multiple accounts (multiple Points-of-Connections) to be associated with a single customer.

### **6. Online Engineering Operations**

- 6.1. The system shall have the ability to generate engineering tokens (Replacements, Clear Tampers, and Clear Credit) online via any standard web browser.

### **7. Online Auxiliary Account Management**

- 7.1. The system shall have the ability to manage customer specific auxiliary accounts online via any standard web browser. This functionality shall include the creation of auxiliary account categories and the definition of the account details such as account balance and collection type.

## **8. Online System Configuration**

- 8.1. The system shall have the ability for its system's parameters to be configured online via any standard web browser.

## **9. Online System Security**

- 9.1. The system shall have the ability to define online users, user roles and user specific role processes online via any standard web browser.

## **10. Support, Installation & Commissioning**

- 10.1. Tenders shall provide permanent local (onsite) support, as well as show the capability remotely (telephonically) to support the system
- 10.2. Remote support shall include an offsite backup and disaster recovery service through the mirroring of data on at least a weekly basis.
- 10.3. Tenders shall supply independent, documented proof to substantiate conformance to these aspects.

## **11. Data Model**

- 11.1. The underlying data model used by the system shall be tested to conform to the standard of a so-called third generation system. This means that the data model shall be capable of the following:
- i. A Point-of-Connection shall be supported which is independent from a Location, Meter and Consumer.
  - ii. The tariff shall not be connected to a Meter or a Consumer but shall rest with the Point-of-Connection.
  - iii. The data model shall allow for the definition of hierarchical Nodes to simulate a distribution network.
  - iv. The data model shall allow for WGS-84 GPS coordinate definition with all locations.
  - v. The data model shall accommodate, for enhanced management purposes, possible additional resources like water.
  - vi. The data model shall accommodate meter reading for reading prepaid meters, and reconciling meter consumption with sales.

## **12. Integration and Interface Requirements**

- 12.1. File based integration: The system shall be able to facilitate file-based integration via a purpose-built application. This application shall be able to extract or import data according to dynamically defined business rules. This application shall also be able to manage and track processed data, regenerated files and enable additional file layouts as required.

### **13. Geographical Information System**

- 13.1. It is envisaged that a Geographical Information System will be linked/incorporated into the prepayment database in the future. The proposal should describe how the solution would cater for such GIS integration.
- 13.2. Certain data elements in the prepayment metering system must be able to store GPS coordinates as attributes. These include the location of a meter as well as the point of connection of a meter.

### **14. Vending Channels**

- 14.1. The following vending channels shall be implemented

- i. PC Point of Sales
- ii. Mobile Point of Sales
- iii. Mobile Phone
- iv. Vouchers
- v. Consumer website
- vi. 3<sup>rd</sup> Party vending

### **15. System Software**

- 15.1. RWCLM currently has a Microsoft Enterprise Agreement, therefore all Microsoft software installed on any RWCLM ICT hardware will be for the account of RWCLM. All Microsoft software installed on any RWCLM ICT hardware will be activated by RWCLM's ICT personnel.
- 15.2. The bidder shall provide and install the latest Microsoft Windows operating systems and applications and proprietary applications needed to operate the vending system and shall maintain and upgrade the software during the contract period.
- 15.3. All workstations to be provided with the latest Microsoft Office package.
- 15.4. They should provide that PC based software will revert to the RWCLM at the end of the initial contract period or in the event of contract breach. There will be no cost imposition.
- 15.5. The bidder shall be responsible for the migration from the current system to the new system.
- 15.6. The bidder shall be responsible for all licensing and upgrade cost during the contract period.
- 15.7. The bidder shall be responsible for the exporting/transferring of all data in a specified format if there should be a change to new software at the end of the contract period.
- 15.8. Should migration be necessary on the onset or during commissioning of the system, all cost is for the bidder.

- 15.9. The bidder shall provide training on all elements of the system for all the different user groups and vendors.
- 15.10. The bidder shall provide on-site support and a 24 x 7 x 365 comprehensive support service and help desk for the contract period.

#### **16. Arrears Recovery**

- 16.1. There shall be a direct interface with the billing system (currently MunSoft) so that arrears collected can be posted directly to the relevant account either in 'Real Time' or via batch entry at a user selectable delay.
- 16.2. The details of all arrear amounts collected, and service accounts paid for the current transaction shall be individually listed on the transaction receipt handed to the customer at the point of sale.
- 16.3. Data should be imported directly from the financial information system where data will be managed to block and unblock consumers.

#### **17. Data Ownership**

- 17.1. All the information on consumers and related info in the databases will always remain the property of the RWCLM and will not be disclosed as a whole or in part to any third party without the express permission of the.
- 17.2. Any data archived and warehoused on behalf of the municipality shall be accessible at any time to the municipality or its appointed auditor.
- 17.3. A complete copy of the data with the complete access and applications as the active system (except that it is read only) must be loaded and updated daily on a server and storage area, assigned for that purpose, on the premises of RWCLM.

#### **18. Cost**

- 18.1. The method of payment will be a monthly fee based on a percentage of the total Monthly sales, depending on the service level agreement.
- 18.2. RWCLM and the bidder will enter into a service level agreement for a period of 3 years.

#### **4.2. SECTION B: THIRD PARTY VENDING AND VENDOR MANAGEMENT.**

The system shall be integrated with third party vending platforms that will be available and be used by the incumbent service provider.

The tenderer must demonstrate this capacity and must supply documentation from the third-party channels to validate the existing partnership.

Only real-time sales will be considered, the sale of scratch cards or the like requiring conversion to electricity vouchers will not be accepted.

The tenderer must describe in detail the remittance process to be followed between the parties and the periods over which monies will be paid to the Municipality.

##### **1. Scope**

- 1.1. The complete management of all contracted 3<sup>rd</sup> party vendors on behalf of the municipally.

##### **2. Vendor Management**

The bidder shall be responsible for the following:

- 2.1 Setting up guidelines for appointing and contracting with existing and prospective vendors and compiling of agreement/contracts. The guidelines and agreement to be approved by the RWCLM.
- 2.2 Advertising and information meetings with prospective and existing vendors.
- 2.3 Appointment of vendors and signing of contracts. The RWCLM will determine the quantity of vendors per location as required.
- 2.4 Providing all the necessary hardware, software and communications equipment needed for the vendor to operate.
- 2.5 Providing training as and when necessary for the vendor or his appointed operators to operate the equipment and relevant software.
- 2.6 Providing the necessary consumables, e.g., Paper, printer carriage, etc.
- 2.7 Providing the routine and necessary maintenance, repair, and servicing as is required to maintain the equipment.
- 2.8 Collection of all revenue from vendors as per agreement
- 2.9 Insurance against revenue loss.
- 2.10 Providing the necessary security measures for collecting the revenue if required.
- 2.11 To reconcile the revenue received from the vendors daily and provide the necessary credit to the vendor to continue vending.

- 2.12 Payment of any commissions owed to vendors.
- 2.13 Payment of revenue received (Prepaid & Auxiliary separately) directly in the municipalities account at predetermined times together with a reconciliation of said revenue.
- 2.14 Providing daily, weekly, and monthly reports as required.
- 2.15 Provide audit reports.
- 2.16 Vendor's commission payable to the successful bidder will be charged as a percentage of the sum of the monthly sales from all vendors.

### **3. Support Services**

The bidder shall be responsible for the following:

- 4.3. Providing the necessary admin and support staff to administer the vendors. The staff will be on-site and situated in RWCLM.
- 4.4. Provide the office space to house the staff.
- 4.5. Provide a 24 x 7 x 365 support service for vendors.
- 4.6. The bidder may subcontract this service to a third party.

### **4. Cost**

- 4.1. The method of payment will be a monthly fee based on a percentage of the total Monthly sales, depending on the service level agreement or an alternative funding model that a service provider can propose.
- 4.2. RWCLM and the bidder will enter into a service level agreement for a period of 3 years.

### 4.3. SECTION C: METER SUPPLY AND INSTALLATION

#### 1. Scope

- 1.1 The successful bidder will supply different range of domestic STS prepayment water meters, bulk meters, and related spares & accessories, according to set technical specification and installation criteria. This will assist the RWCLM with accurate billing of consumers, while giving consumers the ability to manage water use efficiently and get regular meter status reports.
- 1.2 Hardware Scope includes:
  - Complete 15mm & 20mm STS prepayment meter in Above Ground Meter box, with serviceable strainer & AMR functionality
  - Keypad (CIU) to be RF-based comms, with easily replaceable batteries by consumers
  - 40mm – 150mm Hybrid Woltmann Bulk Water Meter
  - 40mm – 150mm bulk strainer
  - Smart AMR device for billing domestic & bulk meters
  - AMR Driver-by devices, and fixed network AMR software services
  - Hardware components to be replaced in-situ, during maintenance process
  - 12-month manufacturer's warranty
- 1.3 Installation Scope includes:
  - Property & suburb assessment for meter status & type applicable
  - Replacement & new installations as per RWCLM standards
  - Recording of property, consumer, & meter status data
  - Commissioning of installed meter
  - Training of consumers (for prepaid meters)
  - 3-month installation warranty
- 1.4 Technical product support & Training
  - Onsite & remote product support for the duration of the contract
  - Advisory services to RWCLM on infrastructure improvement services
  - Related product documentation such as: Quick user guide for consumer training & referral
  - Ongoing knowledge transfer to RWCLM staff

#### 2. Technical Specification

- 2.1. This specification highlights requirements for the supply of a Prepaid Water Metering System for residential and light commercial water reticulation systems. The System includes the Meter Box functional as either a Volume Limiter or complete Prepaid Water Meter using an electronic Prepaid Water Controller (PWC), an optional remote Consumer Interface Unit (CIU) for installation inside the house and at least a Field Maintenance Terminal (FMT) to assist in Installation, Diagnosis and Fault Finding.

- 2.2. The Prepaid System shall confirm to the Standard Transfer Specification (STS) standards for the transfer of credit through third party STS compliant Vending Systems. No other system that is not STS compliant will be considered.

2.3. Meter Box

To consist of a UV-resistant rectangular meter box with concave side walls for additional stability that is 800mm high x 280mm long x 100mm wide with LCD display positioned inside the lid of the meter box. The Meter Box shall be complete with a Water Meter, Prepaid Water Controller (PWC), serviceable strainer, Isolating Valve as well Consumer Stopcock.

All internal joints are fusion welded, pressure tested to 15 Bar pressure.

2.4. Water Meter - Domestic

15mm x 114mm and/or 20mm x 114mm V110 KSM Polymer water meter of the semi-positive rotary piston type, with non-return valve, fitted with a straight-reading counter and fixed one pulse per 1/2 litre output facility registering in m<sup>3</sup> and approved under the Trade Metrology Act and Regulations and to SANS 1529-1: 2006 Class C specifications.

| Meter size (mm)                   |         |                   | 15         | 20      |
|-----------------------------------|---------|-------------------|------------|---------|
| Accuracy Test                     |         |                   | Class C    | Class D |
| Overload flow rate                | qs±2%   | m <sup>3</sup> /h | 3.0        | 5.0     |
| Permanent flow rate               | qp±2%   | m <sup>3</sup> /h | 1.5        | 2.5     |
| Transitional flow rate            | qt±2%   | l/h               | 22.5       | 28.75   |
| Minimum flow rate                 | qmin±5% | l/h               | 15.0       | 18.75   |
| Starting flow (approximate)       |         | l/h               | 5.7        | 9.5     |
| Output pulse                      |         | litre/pulse       | 0.5        | 0.5     |
| Meter diameter                    |         | mm                | 86         | 86      |
| Meter length                      |         | mm                | 114 or 165 | 114     |
| Weight - Meter only (approximate) |         | kg                | 0.40       | 0.42    |

2.5. Prepaid Water Controller (PWC)

The PWC must be able to function in either Prepaid-, Post-paid-, Fixed Water Dispenser or Conventional Mode, interchangeable at any time without the need for firmware changes.

The PWC shall be fitted with a Liquid Crystal Display (LCD) showing at minimum the Totalizer in Cubic Meters(m<sup>3</sup>), Credit available in Cubic Meters(m<sup>3</sup>), any error code that may be present, battery status, valve position, Leak indication, pulse indication

The PWC shall be fitted with a bi-directional 868mHz Radio Frequency (RF) communications port to facilitate Automatic Meter Reading (AMR), as well as a

wireless link to a remote CIU, with a minimum transmission range of 500meters (line of sight).

The radio antenna should be of the internal type, no external antennas protruding.

Fitted with an in-the-field replaceable battery pack without the need to remove the meter from the installation. Battery design life should be 10 years, irrespective of usage.

Drive-by Automatic Meter Reading (AMR) capabilities should include:

- User defined fields, where the user can select from a list of data fields, which data is required and only download the required data.
- No duplication of meter data (Same meter read more than once)
- Support Walk-by or Drive-by data collection
- Date/Time Stamp for each record uploaded

The PWC shall only except Credit Tokens conforming to the IEC 62055-41 & 51 Standards, being a 20 digit encrypted numeric credit token.

The PWC should store the following historical data:

- Monthly consumption history over the previous 12 months.
- Last 10 credit tokens entered, with the volume and date stamp.
- End-of-month totalizer reading over the last 12 months.
- Monthly credit usage over the previous 12 months.

A data logging system recording the hourly totalizer reading for the last 90 days.

A daily Water Conservation Limit, regardless of credit being available.

## 2.6. Consumer Interface Unit (CIU)

The CIU shall be a wall-mounted device installed inside the consumer house, linked to the PWC via RF communication link.

The CIU shall be battery powered with a life span of 3 years. Replacement batteries shall be of a commonly available type obtainable at any retail shop. A dedicated battery compartment, with sliding lid shall enable the consumer to replace the batteries without having to open the unit or require assistance of technical personnel.

The CIU shall have an LCD, which is always active, showing credit available, not older than 1 hour, without interaction from the user. In addition, the LCD should indicate, battery status of the CIU, valve position, leak indication, with additional messages, such as "No Credit", "Credit Low", "Locked", etc.

The display shall rotate every 10 seconds between the following messages: Credit Status, Credit Available and any Additional Message such as a possible leak.

The CIU shall include a 12 button silicon keypad with tactile feedback. Buttons shall include 0 - 9, Backspace and #. The button layout shall be according to the industry accepted standard layout for STS prepaid meters.

In addition to entering of credit tokens, the CIU must enable the consumer to read the following information or perform actions on the meter:

- Display the 11-digit Prepaid Number of the PWC
- Display the credit available individually for any of the credit registers
- Consumption for the current day
- Consumption for the current month
- Consumption average over the last 3 months.
- Electronic totalizer reading
- Total consumption to date
- Total credit loaded to date
- Paid Credit used for the month
- Monthly consumption history for the last 3 months
- Leak indication, with the size of the leak in Litres/hour
- History of the last 10 tokens entered, with credit value and date stamp
- Lock or Unlock the meter, stopping water delivery when not at home.
- Activate Emergency Water, if so configured

A resettable User Totalizer shall be available for the consumer to record water consumption for specific event, such as using the dishwasher or watering the garden. First reset the user totalizer on the CIU. After consuming the water, the consumer can now view the water consumed on the CIU display.

## 2.7. Remote On-line Monitoring

The CIU shall facilitate remote on-line monitoring by connecting to the existing Sigfox public network, without having impact on the battery life of the PWC. No installation of additional data concentrators or gateways should be required.

The meter shall send the following information on a daily basis: Totalizer, Credit Status, Credit Type, Meter Mode, Valve position, Tamper status, Leak indication, Battery status, Lock status, Error code, Current & previous month consumption.

A web interface shall be made available to register and manage installed meters, and view the above data from each meter.

## 2.8. Field Maintenance Terminal (FMT)

The FMT software shall be available for installation on any compatible Windows based laptop or tablet. A rugged, splash proof laptop may be offered as pre-installed complete solution.

The FMT shall be used for drive-by AMR (Automatic Meter Reading) as well as remote meter interrogation for diagnostic and configuration purposes.

The FMT shall be complete with a USB RF Data Collector suitable to communicate with the meter, remotely without having direct access to the meter.

The RF Data Collector shall have the facility to attach a magnetic roof-mount antenna, to be fitted on the roof of the vehicle when used for drive-by AMR data collection.

All communications between the FMT and PWC shall be securely encrypted.

The FMT shall include various diagnostics functions to fully assess the functionality of the system, as well as provide meter, credit, and valve information.

AMR data fields requested from the PWC shall be fully user definable, to prevent uploading of unwanted data.

AMR records should be available in CSV format, for easy import to Microsoft Excel, and other third-party information systems.

## 2.9. Approvals

The PWC shall be approved by STSA (Standard Transfer Specification Association) for compliance to IEC62055-41 & IEC62055-51.

The complete system shall be approved by NRCS (National Regulator for Compulsory Specifications) to SANS1529-1 and SANS1529-9.

The radio equipment shall be approved by ICASA (Independent Communications Authority for South Africa) to EN 300 220, EN 301 489-1&3 and EN 60950.

The CIU shall be Sigfox Certified.

## 2.10. Bulk Water Meter

50mm to 100mm Woltmann Hybrid Water Meters with only moving part of the water meter to be the impeller which sends an inductive signal to the counter. The electronic counter to be sealed to IP68 and to provide output signals without the need to add any additional pick-ups. Counter to display both volume and rate of flow. The meters to have a turn down ratio of R1250 or better. Meter to maintain accurate performance without any straight lengths before or after the water meter. The meter body to be dual drilled to suit both BS 10 Table D and SABS 1123 Table 16.

|                                                    | Ø40  | Ø50   | Ø80   | Ø100  |
|----------------------------------------------------|------|-------|-------|-------|
| <b>Overload flowrate Qs m<sup>3</sup>/hr *</b>     | 70   | 80    | 126   | 200   |
| <b>Permanent flowrate Qp m<sup>3</sup>/hr *</b>    | 35   | 40    | 63    | 100   |
| <b>Transitional flowrate Qt m<sup>3</sup>/hr</b>   | 0.08 | 0.08  | 0.08  | 0.20  |
| <b>Transitional flowrate Qt m<sup>3</sup>/hr *</b> | 0.60 | 0.675 | 0.945 | 1.50  |
| <b>Minimum flowrate Qmin m<sup>3</sup>/hr</b>      | 0.04 | 0.05  | 0.05  | 0.128 |
| <b>Minimum flowrate Qmin m<sup>3</sup>/hr *</b>    | 0.24 | 0.27  | 0.378 | 0.60  |

\*SABS 1529-1-2006 Class C

## 2.11. In-line strainer

Heavy duty stainless sieve which is securely supported at the top and bottom of the strainer body. The sieve element can be removed from the top for cleaning purposes without disturbing the flange joints. The flanges to be dual drilled to allow connection to either BS10 Table D or ISO 1123 Table 16.

Sizes: mm 40 / 50 / 80 / 100 / 150

| SIZE<br>mm | A<br>mm | B<br>mm | C<br>mm | D<br>mm | E<br>mm | F<br>mm | WEIGHT<br>kg |
|------------|---------|---------|---------|---------|---------|---------|--------------|
| 40         | 311     | 78      | 76      | Ø151    | 85      | 81      | 12.0         |
| 50         | 200     | 78      | 83      | Ø166    | 85      | 81      | 12.2         |
| 80         | 200     | 94      | 101     | Ø201    | 85      | 92      | 14.1         |
| 100        | 250     | 106     | 114     | Ø228    | 85      | 92      | 19.4         |
| 150        | 300     | 148     | 143     | Ø286    | 145     | 158     | 34.0         |

The use cases for the hardware meters required is on residential and light commercial establishments, commercial bulk supplied customers and zonal stats metering.

Where possible, the involvement of local small business entities should be considered on technical work fulfilment.

#### **4.4. SECTION D: REVENUE PROTECTION (PROPOSAL)**

##### **1. Scope**

- 1.1. The successful bidder will assist the RWCLM with Customer Data Management and provide a Revenue Protection service to eliminate the losses and revenue leaks for water services (pre-paid/conventional meters) because of illegal water use and connections, meter tampering and/or bypassing.
- 1.2. It will comprise the provision of data management and Revenue Protection for the whole area which will include:
  - Data and revenue protection audits including targeted inspections;
  - Provision of a workflow management system;
  - Detailed revenue protection processes;
  - Data analysis and interrogation;
  - Provision of detailed reference database;
  - Customised Reporting;
  - GIS Field management console for all consumers;
  - Spatial analysis and Geographical presentations of all audits through GIS techniques;
  - Sectional Water Balancing; consisting of strategic identification of candidate high loss areas, provision and installation of zonal meters, remote reading of said zonal meters and associated professional services such as reporting
- 1.3. Service providers must make use of the latest techniques and technologies when performing field audits and capturing of data, to eliminate human errors as far as possible. The use of Handheld Units (HHU) to capture field information and remote communication via GPRS is mandatory.
- 1.4. Respondents must have a proven experience track record for providing services of this nature, and may be required to demonstrate their solution.

##### **2. Technical Specification**

- 2.1. Full data clean up and mapping of all meters and customers in the field to the pre-payment and financial database of the RWCLM – (A List of Mandatory data to be captured from the field will be issued at the time of audits).
- 2.2. The use of a workflow management system to track and manage all work completed in the field, including the provision of on-demand KPI reports.
- 2.3. Detailed visual audit for conventional/pre-payment meters, to identify all irregularities (Tamperers, Faulty meters, Vandalism, partial bypasses, etc.). Each audited meter needs to be sealed with a bar-coded seal that is linked and tracked electronically against the customer record (mainly the meter and legal entity).
- 2.4. Detailed GIS Information system indicating all findings in the field, Meter types, and customers not at homes and other additional key information will be

required. The GIS field information form part of the management console required for sustainable management.

- 2.5. Weekly detailed reports have to be presented along with monthly feedback/monitoring reports.

#### 2.6. Meter Audit Software (MAS) Description

The MRS must be capable of normal meter reading collection, assessment, corrections and management. The MRS must control the full meter reading process and provide quality vetted data back to the Billing System (BS) for billing purposes. The MRS must make use of modern database tools to store, manage, maintain and secure the meter reading data and concise and customisable reporting to manage the meter reading process.

##### 2.6.1. Architecture

The MAS must be built utilising modern technology to provide robustness, security, scalability and reliability. The system must implement the standard client server model for use in both LAN and WAN environments or in the case of cloud-based solutions a webservice model with good response times even on slower links. All data must be stored on an industry standard database Server.

##### 2.6.2. Billing System Host Interface

The MRS must have a standard and field proven interface into all mSCOA compliant Billing Systems. API/Rest Interfaces are preferred.

##### 2.6.3. Remote communications to Handheld Computers

The MAS must be able to optionally transfer route data and other related data to the handheld computers across the cellular network. Readings from the field must be sent to the MAS in 'near real time' to allow meter audits supervisors to send re-audit requests while the meter auditor is still in the field. Periodically handheld location and status must be sent to the MAS for meter auditing productivity monitoring and handheld monitoring.

##### 2.6.4. Advanced Route Management

The MRS must be capable of the creation of system routes which are the best size and sequence. Reports must be available to monitor route efficiencies to ensure optimized routing. Should no location information be available for any job the MRS should be able to lookup a best guess for the location utilising the supplied address information.

##### 2.6.5. GIS and GPS

The MAS must have the ability to store geographical coordinates for each meter audited and be able to display these meter positions on a geographic map. The MAS must be able to optionally use meter positions to graphically setup meter

auditing routes based on the meters' physical location. The MAS must be able to send the known meter position to the handheld computers. The handheld should then be capable of directing the meter auditor to the meter. The handheld must ensure that the data is captured within close proximity to the known meter position (geo-fence).

#### 2.6.6. Meter Reading, Condition, and Problem Status Photographs

The MRS must be able to optionally store and display any photographs taken by the handheld computer and linked to individual meters. The locations for each photograph should also be stored. The system should be able to optionally force a resource to capture photos under certain prescribed field / data conditions.

#### 2.6.7. Management Reporting

The full value of any data intensive system can only be realized when you are able to interpret the data properly. With this in mind, the MRS must have a comprehensive set of management reports which supply key performance indicators to help enhance, and thereby streamline the meter reading process. The system must be capable to store more than 12 months' worth of reading information allowing for the generation of meter reader performance and route efficiency trending.

#### 2.6.8. Audit Trail

Every transaction in the system must be logged against the active user. This information must be available for auditing purposes and problem solving.

#### 2.6.9. Data Cleansing

The MAS must allow operators to update specified information to facilitate data cleansing. Fields such as address details, consumer name, must be updated using the handheld or the user interface itself.

#### 4.5. SECTION E: WATER BALANCING SOLUTION AND REVENUE ASSURANCE DASHBOARD (PROPOSAL)

The appointed service provider will put upfront the Capital Funding for the supply and installation of Bulk Intake and Zonal Distribution Meters as an effort to initiate and implement the Water Balancing Program. The Capital Funding will be funded through the Service Providers proposed funding model.

##### 1. Scope

- 1.1. The successful bidder will assist the RWCLM with a Water Balancing Solution and provide a Revenue Assurance Dashboard to determine and eliminate the losses of revenue for the water supply service based on what enter the bulk supply to the distribution network.
- 1.2. Compilation of a detailed zonal water balance in having an in efficient planning and implementation of steps of water loss management – For both downstream of supply, and industrial RWCLM customers.
- 1.3. Water balances are calculated to determine how much water is lost in a distribution system
- 1.4. Specification for Zonal Metering  
150mm to 300mm Woltmann WP Water Meters of inferential type with interchangeable mechanism fitted with a magnetic coupling drive and straight-reading, registering in m<sup>3</sup>. Counter sealed to IP68 meter must have built in capability of generating inductive pulse signals. the meter must be supplied with a pressure tapping as standard. Body flanges to be dual drilled to BS10 Table D or SABS 1123 Table 16 specification from sizes 200mm to 300mm.
- 1.5. Performance to ISO4064, BS5728 Specification Class B

| Meter size (mm)           |           |                            | 40   | 50   | 80   | 100  | 150  | 200  | 250  | 300  |
|---------------------------|-----------|----------------------------|------|------|------|------|------|------|------|------|
| Overload flow             | qs – 2%   | m <sup>3</sup> /h          | 90   | 90   | 200  | 250  | 600  | 1000 | 1600 | 2000 |
| Permanent flow            | qp – 2%   | m <sup>3</sup> /h          | 50   | 50   | 120  | 180  | 450  | 700  | 1000 | 1500 |
| Transitional flow         | qt – 2%   | m <sup>3</sup> /h          | 1    | 1    | 2    | 2    | 4    | 6    | 11   | 15   |
| Minimum flow (horizontal) | qmin – 5% | m <sup>3</sup> /h          | 0.35 | 0.35 | 0.5  | 0.6  | 1.8  | 4    | 6    | 12   |
| Minimum flow (vertical)   | qmin – 5% | m <sup>3</sup> /h          | 0.45 | 0.45 | 1.2  | 1.2  | 4.5  | 7.5  | 12   | 18   |
| Starting flow (approx.)   |           | m <sup>3</sup> /h          | 0.15 | 0.16 | 0.22 | 0.25 | 0.90 | 1.2  | 1.8  | 1.8  |
| Headloss at overload flow |           | Kpa                        | 84   | 49   | 27   | 43   | 33   | 32   | 37   | 58   |
| Maximum registration      |           | millions of m <sup>3</sup> | 1    | 1    | 1    | 1    | 10   | 10   | 10   | 10   |
| Maximum water temperature |           | °C                         | 50   | 50   | 50   | 50   | 50   | 50   | 50   | 50   |
| Maximum working pressure  |           | Kpa                        | 1600 | 1600 | 1600 | 1600 | 1600 | 1600 | 1600 | 1600 |

- 1.6. Additional Requirements

The service provider solution must provide for a solution that will allow for virtual water balancing from the nodal level. The solution should include the following:

- Supply and installation of Automated Meter Reading (AMR) ready stats meters at zonal level to allow the application of the water balancing techniques
- Daily scheduled readings of stats meters using GPRS connectivity
- Water balancing calculations to clearly highlight the gaps between the water measured at the nodes and the sum of the water sold at the end-use level
- Meter status & performance dashboard reporting
- Daily consumption reporting at the nodes level
- Total water demanded from each node

## **2. Central Revenue Protection Database & System Integration**

- 2.1. RWCLM requires a central data repository that will be able to accommodate all information captured during the field operations. This relational data repository must be designed around the concept of a **POD** (Point of Distribution) identified by a unique GPS coordinate.
- 2.2. The central data repository must be integrated to both the financial billing system as well as the pre-paid system. The integration solution must allow for regular scheduled updates from the relevant systems to allow for the validation of meter readings and general changes related to field activities.
- 2.3. The software system(s) supplied towards both the field survey and work management solutions must be fully integrated to the central database.
- 2.4. The integration solution must be an electronic integration between the relevant databases allowing for automatic validation checks coupled with business rules to manage and control all record updates.
- 2.5. Integration must allow for connection between the central server and the relevant operational field offices where applicable.
- 2.6. The integration solution must allow for scheduled tasks to be automatically executed at off peak times to allow minimal impact with large data updates.

## **3. Revenue Assurance Dashboard**

- 3.1. RWCLM requires a central Dashboard that highlights performance, exposes key trends, and enables them to identify & investigate problem areas.
- 3.2. The supplier must be able to provide the municipality with performance indicators and the ability to execute analysis around specific performance results. The

supplier must be able to illustrate Business Intelligence and reporting solutions, specific towards pre-payment data analysis.

- 3.3. The supplier should be able to deliver the following in terms of Business Intelligence and Reporting
  - Financial Benchmarking and Vending Pattern Trend Analysis
  - Intelligent Inspection lists based on Data Mining and Intelligent Analysis
  - Water balancing results between all command reservoirs and linked supply points
  - On demand spatial presentation of field findings and data mining results
- 3.4. The dashboard will be optimized to give the officials a view on all key indicators that may affect Revenue Assurance.

#### **4. Architectural Considerations**

- 4.1. The dashboard solution must meet the following architectural considerations
  - The solution must be able to retrieve data from various external data sources. The design must be flexible to allow for fast updates when the details/design of an external data sources is updated or when a new data source is introduced.
  - The presentation layers must be designed to address the specific needs of operational units. It shall be possible to modify the presentation layer views towards specific preferences. The presentation layer shall be flexible to allow quick modifications of the basic look and feel of the available outputs
  - The data displayed on the dashboard needs to be refreshed on an hourly basis
  - The dashboard shall allow for username & password authentication.

#### **5. Revenue Assurance Overview & Water Balancing Results**

- 5.1. The term water balancing in the context of Revenue Protection, refers to the output from a calculation to compare the water measured at a higher-level node (distribution point), to the sum of the actual water measurements (or calculated estimations) at all the child nodes connected to it, with the aim of highlighting technical as well as non-technical losses.
- 5.2. The Revenue Assurance Dashboard overview must highlight any potential losses as well as give the high-level results of the water balancing calculations for a selected area or reservoir. The view must include the following:
  - Breakdown of total water consumed (or value of water registered at vending system) for delivery points.
  - Estimated loss% calculated from the water balancing calculation.

- Losses trend over time for a selected group of meters
- Consumption trend over time for a selected group of meters
- Dashboard shall be able to display the relative risk potential of specific pre-paid metering endpoints based on their purchase patterns
- Solution shall be able to drill down into an individual metering endpoint and retrieve a data history on purchases, previous flags for inspection and historic inspection findings
- The user must be able to filter on the specific variables to analyse results

## **6. Spatial Extension**

- 6.1. The dashboard solution will allow for a mapping extension that highlights the positions of the selected points on the project base map. The solution will optimize the legend of the points to highlight specific attributes. The design will allow the user to identify patterns and trends from the map view.

The service provider must implement an Advanced Meter Infrastructure (AMI) with proven technology that will provide the ability to monitor agreed performance milestones at a management zone level. AMI will form part of the overall project design, and integrated into the rollout. This will allow interface with the Municipal's enterprise systems for data collection purposes such as:

- Presence of leaks / losses,
- Consumption over a period of time; and
- Potential income from consumption.

#### 4.7. SECTION F: FUNDING THE PROJECT

##### 1. Scope

- 1.1. The RWCLM request that proposals include funding of the project for supply of Smart Prepaid Water Meters, Smart-Vending System, Revenue Enhancement and Water Balancing for Rand West City Local Municipality to be funded within a period of 36 months.

##### 1.2. Funding Model

It is expected; and will form part of the functionality criteria, that the service provider furnishes the funding model to be utilised for the capital requirement of the project.

This commercial proposal should clearly indicate the source of the funding and commitment that has already been made by the service provider to secure capital investment required.

##### 1.3. Repayment Model

As part of the commercial funding proposal; RWCL requires clarity of the repayment model proposed by the service provider.

##### 1.4. Duration

It should be noted that this contract; as per MFMA, has a 36-month duration. The funding to be committed had to be repaid within the contract period.

#### 5. DELIVERABLES

At the conclusion of the assessment, RWCLM requires written documentation of the approach, findings, and recommendations associated with this project.

A formal presentation of the findings and recommendations to senior management may also be required.

N.B., service providers are required to submit a details proposal for Revenue Enhancements for evaluation purpose, content to be covered in the proposal is as follows:

- Time frames
- Costing
- Methods
- Project plans
- Experience

## 6. TERMS OF REFERENCE

- The service provider should clearly indicate the comprehensive funding model proposed for financing this project
- The service providers should demonstrate the ability to fund all the solutions proposed in their submissions.
- All proposals must be sensitive and compliant to green environment and emissions.
- Social Investment Programme/s OR Socio-Economic Development OR Socioeconomic Initiative should be considered under this project
- Skills Transfer Plan covering both the financial and technical RWCL personnel should be furnished or incorporated into this proposal

When providing information:

- Be clear and succinct in your response in order to maximize Municipality's understanding of your solution. Requirements should include descriptions, model/s, structure models, prototypes, inputs, outputs, success stories, and time frames.
- Provide summaries and flow diagrams (in addition to the details) where appropriate.
- Explicitly list all assumptions made in your proposed solution.
- The municipality may reserve the right to request the Presentation from the Panel if need arises.

**PRICING SCHEDULE**

| <b>BILL OF QUANTITIES</b><br><b>SECTION A - VENDING SYSTEM AND</b><br><b>SECTION B - THIRD PARTY VENDING AND VENDOR MANAGEMENT</b> |                                                                                                                                        |             |
|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Description                                                                                                                        | Price Explanation                                                                                                                      | Percentages |
| Section A – Vending System                                                                                                         | Please indicate as percentage charged of an annual turnover of R15 000 000.00 in water sales as a base price to be used for comparison |             |
| Section B – Third Party Vending and Vendor Management                                                                              | Please indicate as percentage charged of an annual turnover of R7 500 000.00 in water sales as a base price to be used for comparison  |             |

\*The rand values stipulated in the bill above are for evaluation purposes only.

|                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>BILL OF QUANTITIES</b><br><br><b>SECTION C SUPPLY AND INSTALL METERS,</b><br><br><b>SECTION D REVENUE PROTECTION AND</b><br><br><b>SECTION E WATER BALANCING</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| ITEM NO                         | PAYMENT REFERS TO | DESCRIPTION                            | UNIT OF MEASURE | QTY | RATE | AMOUNT |
|---------------------------------|-------------------|----------------------------------------|-----------------|-----|------|--------|
| <b>Metering Hardware Supply</b> |                   |                                        |                 |     |      |        |
| 1                               |                   | 15mm STS Prepayment Meter in AGB       | each            | 1   |      |        |
| 2                               |                   | 20mm STS Prepayment Meter in AGB       | each            | 1   |      |        |
| 3                               |                   | Customer Interface Unit (STS Keypad)   | each            | 1   |      |        |
| 4                               |                   | AMR Meter Device (for bulk meter)      | each            | 1   |      |        |
| 5                               |                   | Bulk Meter Pulser                      | each            | 1   |      |        |
| 6                               |                   | Accessories Metal Steel Cover (Bulk)   | each            | 1   |      |        |
| 7                               |                   | AMR Handheld Device (Drive-by)         | each            | 1   |      |        |
| 8                               |                   | Prepaid Water Controller (PWC) - Spare | each            | 1   |      |        |
| 9                               |                   | Meter Battery - Spare                  | each            | 1   |      |        |
| 10                              |                   | 40mm Hybrid type Woltmann meter        | each            | 1   |      |        |
| 11                              |                   | 50mm Hybrid type Woltmann meter        | each            | 1   |      |        |
| 12                              |                   | 80mm Hybrid type Woltmann meter        | each            | 1   |      |        |
| 13                              |                   | 100mm Hybrid type Woltmann meter       | each            | 1   |      |        |
| 14                              |                   | 150mm Woltmann meter                   | each            | 1   |      |        |
| 15                              |                   | 200mm Woltmann meter                   | each            | 1   |      |        |
| 16                              |                   | 250mm Woltmann meter                   | each            | 1   |      |        |
| 17                              |                   | 300mm Woltmann meter                   | each            | 1   |      |        |
| 18                              |                   | 40mm Strainer                          | each            | 1   |      |        |
| 19                              |                   | 50mm Strainer                          | each            | 1   |      |        |
| 20                              |                   | 80mm Strainer                          | each            | 1   |      |        |
| 21                              |                   | 100mm Strainer                         | each            | 1   |      |        |
| 22                              |                   | 150mm Strainer                         | each            | 1   |      |        |

| Metering Hardware Installation |           |                                                                                                                                                                                                                                          |                                    |                                 |  |  |
|--------------------------------|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|---------------------------------|--|--|
| 23                             |           | Installation & Commissioning of residential meter (prepayment)                                                                                                                                                                           | Per point                          |                                 |  |  |
| 23                             |           | Installation of Zonal or Bulk Meters, and Strainer                                                                                                                                                                                       | Per point                          |                                 |  |  |
| AMR Services                   |           |                                                                                                                                                                                                                                          |                                    |                                 |  |  |
| 24                             |           | Drive-by AMR Device + Software                                                                                                                                                                                                           | Per point                          |                                 |  |  |
| 25                             |           | Fixed Network AMR Dashboard                                                                                                                                                                                                              | License                            |                                 |  |  |
| 26                             |           | Consumer App                                                                                                                                                                                                                             | License                            |                                 |  |  |
| 27                             | SABS 1200 | <b>Reading, reporting and maintenance of 10 000 prepaid water meters for water demand and conservation purposes in:</b><br><br>Year 1<br><br>Year 2<br><br>Year 3                                                                        | Number<br><br>Number<br><br>Number | 5 000<br><br>5 000<br><br>5 000 |  |  |
| Speciality & Support Services  |           |                                                                                                                                                                                                                                          |                                    |                                 |  |  |
| 28                             |           | <b>Site Audits</b><br>Incl.: status of metering and collection of various data points                                                                                                                                                    | Per Point                          | 1                               |  |  |
| 29                             |           | <b>Supply and installation &amp; maintenance of a master server.</b><br>Master server to be mounted and always reside at Rand West City Local Municipality IT Department offices. Provide a backup device together with the main server. | Number                             | 1                               |  |  |
| 29                             |           | <b>Provide Training: Local Community</b><br><br>1. Technical training and development on the prepaid meter to the local communities through cooperatives<br><br>2. Handling fee on item 1                                                | Prov. Sum<br><br>%                 | 1<br><br>1                      |  |  |

|              |  |                                                                                                                                                                                                           |                     |                 |  |  |
|--------------|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------|--|--|
| 30           |  | <b>Provide Training: Finance Department</b><br><br>1. Provide training for a maximum of 20 Finance Department Personnel over 5 days for each year for the 3-year period.<br><br>2. Handling fee on item 1 | Number<br><br><br>% | 20<br><br><br>1 |  |  |
| 31           |  | <b>Provide Support on Vending Services AND all associated equipment for Water tariffs</b><br><br>To support 20 existing Rand West City Local Municipality officials.                                      | Number              | 20              |  |  |
| 32           |  | <b>Application of the Water Balancing Techniques to determine and quantify losses</b>                                                                                                                     | Per Node            | 1               |  |  |
| SUB-TOTAL    |  |                                                                                                                                                                                                           |                     |                 |  |  |
| ADD VAT @15% |  |                                                                                                                                                                                                           |                     |                 |  |  |
| TOTAL        |  |                                                                                                                                                                                                           |                     |                 |  |  |

| EVALUATION CRITERIA           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |           |       |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|-------|
|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  | Total     | Score |
| <b>Funding Model Proposed</b> | <p><b>Inclusion of the comprehensive Funding Proposal clearly demonstrating the ability to fund and manage the model. The letter must be stamped by the institution.</b></p> <ul style="list-style-type: none"> <li>• Submission of the comprehensive funding model the funding model plus A commitment letter = 20</li> <li>• Submission of the funding model with no commitment letter = 10</li> <li>• No funding model submission/Unclear funding model = 0</li> </ul>                                                                                                           |  | <b>20</b> |       |
| <b>Product Specification</b>  | <p><b>Supporting documentation is to be submitted must be SAPS certified within 1 month from the closing date of the tender.</b></p> <ul style="list-style-type: none"> <li>• NRCS type approval certification = 5</li> <li>• A SANAS accredited laboratory test certificate = 5</li> <li>• STS 6 certificate to be provided for the vending system = 5</li> <li>• Type C plastic base split RF Meters with meter boxes = 5</li> </ul>                                                                                                                                              |  | <b>20</b> |       |
| <b>Previous Experience</b>    | <p><b>Proof of experience must be in the form of appointment letters with corresponding reference letters must be attached. Appointment letters must be certified, and reference letter must be stamped by the institution. Only government institutions or municipalities will be considered. Water meter supply and installation projects only.</b></p> <ul style="list-style-type: none"> <li>• Two (2) relevant projects = 10 points</li> <li>• Three (3) relevant projects = 20 points</li> <li>• Four (4) relevant projects = 30 points</li> <li>• None = 0 points</li> </ul> |  | <b>30</b> |       |
| <b>Proposal</b>               | <p><b>Service providers are required to submit a detailed proposal on revenue enhancement, proposals should include the following:</b></p> <ul style="list-style-type: none"> <li>• Full compliance to Section A - F requirements = 5 points</li> <li>• Implementation Method = 5 points</li> <li>• Finance Method = 5 points</li> <li>• Project Plans &amp; Timeline = 5 points</li> </ul>                                                                                                                                                                                         |  | <b>20</b> |       |

|                            |                                                                                                                                                                                                                                           |  |           |  |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|--|
|                            |                                                                                                                                                                                                                                           |  |           |  |
|                            |                                                                                                                                                                                                                                           |  |           |  |
| <b>Financial Resources</b> | <b>A bank rating letter which must be an A, B or C. This letter be stamped by the bank, must not be older than 3 months from the closing date of the tender, must be rated for an amount of R 30 000 00.00 for a period of 12 months.</b> |  | <b>10</b> |  |

Failure to score the total minimum of 80 points out of 100 points will lead to non – compliance and bidders will be rejected after this phase and not continue for price scoring.

**Note:** should a tenderer score below the specified minimum points they will be rejected and not be considered for the next phase of evaluation which is price scoring.

### PRICING SCHEDULE – FIRM PRICES (PURCHASES)

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

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

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

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

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

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

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

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

\*Delete if not applicable

## MBD 4

### DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state<sup>1</sup>.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.

**3 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

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

3.2 Identity Number: .....

3.3 Position occupied in the Company (director, trustee, shareholder<sup>2</sup>): .....

3.4 Company Registration Number: .....

3.5 Tax Reference Number: .....

3.6 VAT Registration Number: .....

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

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

3.8.1 If yes, furnish particulars. ....

.....

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

(a) a member of –

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

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

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

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

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

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

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

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

3.9.1 If yes, furnish particulars.....

.....

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

3.10.1 If yes, furnish particulars.

.....

.....

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

3.11.1 If yes, furnish particulars

.....

.....

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

3.12.1 If yes, furnish particulars.

.....

.....

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

3.13.1 If yes, furnish particulars.

.....

.....

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

3.14.1 If yes, furnish particulars:

.....

.....

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

| Full Name | Identity Number | State Employee Number |
|-----------|-----------------|-----------------------|
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |

.....  
**Signature**

.....  
**Date**

.....  
**Capacity**

.....  
**Name of Bidder**

**DECLARATION FOR PROCUREMENT ABOVE R10 MILLION (ALL APPLICABLE TAXES INCLUDED)**

For all procurement expected to exceed R10 million (all applicable taxes included), bidders must complete the following questionnaire:

1 Are you by law required to prepare annual financial statements for auditing?

1.1 If yes, submit audited annual financial statements for the past three years or since the date of establishment if established during the past three years.

**\*YES / NO**

.....

.....

2 Do you have any outstanding undisputed commitments for municipal services towards any municipality for more than three months or any other service provider in respect of which payment is overdue for more than 30 days?

2.1 If no, this serves to certify that the bidder has no undisputed commitments for municipal services towards any municipality for more than three months or other service provider in respect of which payment is overdue for more than 30 days.

2.2 If yes, provide particulars.

.....

.....

.....

.....

3 Has any contract been awarded to you by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract?

\* Delete if not applicable

**\*YES / NO**

3.1 If yes, furnish particulars

.....  
.....

**\*YES / NO**

4. Will any portion of goods or services be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality / municipal entity is expected to be transferred out of the Republic?

**\*YES / NO**

4.1 If yes, furnish particulars

.....  
.....

**CERTIFICATION**

I, THE UNDERSIGNED (NAME) .....

**CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS CORRECT.**

**I ACCEPT THAT THE STATE MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.**

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder

## 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 for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

**NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.**

### 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 **exceed/not exceed** R50 000 000 (all applicable taxes included) and therefore the ..... preference point system shall be applicable; or
- b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (*delete whichever is not applicable for this tender*).

1.3 Points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contributor.

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

|                                                   | POINTS |
|---------------------------------------------------|--------|
| PRICE                                             |        |
| B-BBEE STATUS LEVEL OF CONTRIBUTOR                |        |
| Total points for Price and B-BBEE must not exceed | 100    |

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

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) **“proof of B-BBEE status level of contributor”** means:
  - 1) B-BBEE Status level certificate issued by an authorized body or person;
  - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
  - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“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;
- (j) **“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

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

Where

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

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

#### 4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

- 4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

| B-BBEE Status Level of Contributor | Number of points (90/10 system) | Number of points (80/20 system) |
|------------------------------------|---------------------------------|---------------------------------|
| 1                                  | 10                              | 20                              |
| 2                                  | 9                               | 18                              |
| 3                                  | 6                               | 14                              |
| 4                                  | 5                               | 12                              |
| 5                                  | 4                               | 8                               |
| 6                                  | 3                               | 6                               |
| 7                                  | 2                               | 4                               |
| 8                                  | 1                               | 2                               |
| Non-compliant contributor          | 0                               | 0                               |

## 5. BID DECLARATION

- 5.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

## 6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

- 6.1 B-BBEE Status Level of Contributor: . = .....(maximum of 10 or 20 points)  
(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.)

## 7. SUB-CONTRACTING

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

(Tick applicable box)

|     |                          |    |                          |
|-----|--------------------------|----|--------------------------|
| YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
|-----|--------------------------|----|--------------------------|

- 7.1.1 If yes, indicate:

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

(Tick applicable box)

|     |                          |    |                          |
|-----|--------------------------|----|--------------------------|
| YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
|-----|--------------------------|----|--------------------------|

- Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations, 2017:

| Designated Group: An EME or QSE which is at least 51% owned by:   | EME<br>√ | QSE<br>√ |
|-------------------------------------------------------------------|----------|----------|
| 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 |  |  |
| <b>OR</b>                              |  |  |
| Any EME                                |  |  |
| Any QSE                                |  |  |

**8. DECLARATION WITH REGARD TO COMPANY/FIRM**

8.1 Name ..... of  
company/firm:.....

8.2 VAT ..... registration  
number:.....

8.3 Company ..... registration  
number:.....

**8.4 TYPE OF COMPANY/ FIRM**

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

[TICK APPLICABLE BOX]

**8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES**

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

**8.6 COMPANY CLASSIFICATION**

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

[TICK APPLICABLE BOX]

**8.7 MUNICIPAL INFORMATION**

**Municipality where business is situated:**  
.....

**Registered Account Number:** .....

**Stand Number:**.....

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

8.9 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                    | ..... |
|                            | ..... |
|                            | ..... |

## **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, 2011 and 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, 2011 (Regulation 9) makes provision for the promotion of local production and content.
- 1.2. Regulation 9.(1) prescribes that in the case of designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for bids 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 the South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid as required 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> at no cost.**

1.6. A bid may be disqualified if –

- (a) this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation; and
- (b) the bidder fails to declare that the Local Content Declaration Templates (Annex C, D and E) have been audited and certified as correct.

## **2. Definitions**

2.1. **“bid”** includes written price quotations, advertised competitive bids or proposals;

2.2. **“bid price”** price offered by the bidder, excluding value added tax (VAT);

2.3. **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;

2.4. **“designated sector”** means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;

2.5. **“duly sign”** means a Declaration Certificate for Local Content that has been signed by the 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).

2.6. **“imported content”** means that portion of the bid price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad (this includes labour and intellectual property costs), plus freight and other direct importation costs, such as landing costs, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry;

2.7. **“local content”** means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place;

2.8. **“stipulated minimum threshold”** means that portion of local production and content as determined by the Department of Trade and Industry; and

2.9. **“sub-contract”** means the primary contractor's assigning, leasing, making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.

## **3. 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:**

|                                                |                                     |
|------------------------------------------------|-------------------------------------|
| <u>Description of services, works or goods</u> | <u>Stipulated minimum threshold</u> |
|------------------------------------------------|-------------------------------------|

|  |         |
|--|---------|
|  | _____ % |
|  | _____ % |
|  | _____ % |

4. Does any portion of the services, works or goods offered have any imported content?  
(Tick applicable box)

|     |  |    |  |
|-----|--|----|--|
| YES |  | NO |  |
|-----|--|----|--|

- 4.1 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 the 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](http://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.

5. Were the Local Content Declaration Templates (Annex C, D and E) audited and certified as correct?  
(Tick applicable box)

|     |  |    |  |
|-----|--|----|--|
| YES |  | NO |  |
|-----|--|----|--|

- 5.1. If yes, provide the following particulars:

- (a) Full name of auditor: .....
- (b) Practice number: .....
- (c) Telephone and cell number: .....
- (d) Email address: .....

(Documentary proof regarding the declaration will, when required, be submitted to the satisfaction of the Accounting Officer / Accounting Authority)

6. 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 Accounting Officer / Accounting Authority 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 Municipality / Municipal Entity):  
.....

**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.thedti.gov.za/industrialdevelopment/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
- (ii) the declaration templates have been audited and certified to be correct.

(c) The local content percentages (%) 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 / Municipality /Municipal Entity 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 / Municipal / Municipal Entity imposing any or all of the remedies as provided for in Regulation 13 of the Preferential Procurement Regulations, 2011 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

**SIGNATURE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**WITNESS No. 1** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**WITNESS No. 2** \_\_\_\_\_

**DATE:** \_\_\_\_\_

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

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

| Item  | Question                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Yes                             | No                             |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|--------------------------------|
| 4.1   | Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?<br><br>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).<br><br><b>The Database of Restricted Suppliers now resides on the National Treasury's website(<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</b> | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 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)?<br><b>The Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b>                                                                                                                                                                                                                                                                               | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.2.1 | If so, furnish particulars:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                 |                                |
| 4.3   | Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |

|             |                                                                                                                                                                                                                                        |                                 |                                |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|--------------------------------|
| 4.3.1       | If so, furnish particulars:                                                                                                                                                                                                            |                                 |                                |
| <b>Item</b> | <b>Question</b>                                                                                                                                                                                                                        | <b>Yes</b>                      | <b>No</b>                      |
| 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<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.4.1       | If so, furnish particulars:                                                                                                                                                                                                            |                                 |                                |
| 4.5         | Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?                         | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.7.1       | If so, furnish particulars:                                                                                                                                                                                                            |                                 |                                |

### CERTIFICATION

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

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

.....  
**Signature**

.....  
**Date**

.....  
**Position**

.....  
**Name of Bidder**

## CERTIFICATE OF INDEPENDENT BID DETERMINATION

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

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

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

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

---

(Bid Number and Description)

in response to the invitation for the bid made by:

---

(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 consortium<sup>3</sup> 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.

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

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

Js9141w 4

# **THE NATIONAL TREASURY**

**Republic of South Africa**



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## **GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT**

**July 2010**

**GOVERNMENT PROCUREMENT**  
**GENERAL CONDITIONS OF CONTRACT**  
**July 2010**

**NOTES**

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
- (ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.

- The General Conditions of Contract will form part of all bid documents and may not be amended.
- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

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## **General Conditions of Contract**

### **1. Definitions**

1. The following terms shall be interpreted as indicated:
  - 1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
  - 1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
  - 1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
  - 1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of 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 market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

- 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such

obligations of the supplier covered under the contract.

- 1.25 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.

## **2. Application**

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

## **3. General**

- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from [www.treasury.gov.za](http://www.treasury.gov.za)

## **4. Standards**

- 4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

## **5. Use of contract documents and information; inspection.**

- 5.1 The supplier shall not, without the purchaser’s prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The supplier shall not, without the purchaser’s prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier’s performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier’s records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

## **6. Patent rights**

- 6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

**7. Performance security**

- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
  - (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
  - (b) a cashier's or certified cheque
- 7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

**8. Inspections, tests and analyses**

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or

analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

## **9. Packing**

- 9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

- 9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

## **10. Delivery and documents**

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

- 10.2 Documents to be submitted by the supplier are specified in SCC.

## **11. Insurance**

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

## **12. Transportation**

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

## **13. Incidental services**

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:

- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
- (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

#### **14. Spare parts**

14.1 As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
- (b) in the event of termination of production of the spare parts:
  - (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
  - (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

#### **15. Warranty**

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.

15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take

such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

**16. Payment**

- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

**17. Prices**

- 17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.

**18. Contract 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 contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

**21. Delays in the supplier's performance**

- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the

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

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

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

## **22. Penalties**

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

## **23. Termination for default**

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

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

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

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

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

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

- 23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.
- 23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
- (i) the name and address of the supplier and / or person restricted by the purchaser;
  - (ii) the date of commencement of the restriction
  - (iii) the period of restriction; and
  - (iv) the reasons for the restriction.

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

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

#### **24. Anti-dumping and countervailing duties and rights**

- 24.1 When, after the date of bid, provisional payments are required, or 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

**25. Force Majeure**

- 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

**26. Termination for insolvency**

- 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.

**27. Settlement of Disputes**

- 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5 Notwithstanding any reference to mediation and/or court proceedings herein,
- (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**

- 28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;
- (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.                                                                                                    |
| <b>29. Governing language</b>                                | 29.1 | The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.                                                                                                                                                                                         |
| <b>30. Applicable law</b>                                    | 30.1 | The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.                                                                                                                                                                                                                                                            |
| <b>31. Notices</b>                                           | 31.1 | Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice                                   |
|                                                              | 31.2 | The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.                                                                                                                                                                                             |
| <b>32. Taxes and duties</b>                                  | 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.                                                                        |
| <b>33. National Industrial Participation Programme (NIP)</b> | 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.                                                                                                                                                                                                                    |
| <b>34 Prohibition of Restrictive practices</b>               | 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.