



# **UMDONI MUNICIPALITY**

The J.E.W.E.L of the South Coast

## **PROVISION OF BANKING SERVICES**

**BID NU: 02/2023**

**MN 62/2022**

### **NAME & ADDRESS OF BIDDER**

**Name:** \_\_\_\_\_

**Tel:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Fax:** \_\_\_\_\_

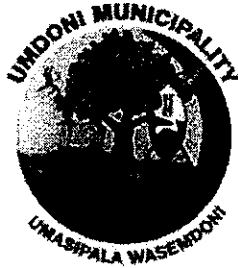
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**Cell:** \_\_\_\_\_

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**E-mail:** \_\_\_\_\_

**Postal code:** \_\_\_\_\_



# UMDONI MUNICIPALITY

THE J.E.W.E.L OF THE SOUTH COAST

## INVITATION TO TENDER

### APPOINTMENT OF SERVICE PROVIDERS FOR THE FOLLOWING SERVICES/PROJECTS;

BID NU & MN	PROJECT	TECHNICAL ISSUES	Minimum points	Validity Period	Tender Price	START DATE	CLOSING DATE
03/2023 MN79/20 22	PROVISION OF ICT SECURITY SERVICES – 36 MONTHS	Mr Z Cele: Manager ICT Email: <a href="mailto:zethembec@umdoni.gov.za">zethembec@umdoni.gov.za</a> Tell: 039 976 1202 SCM ISSUES Mr D Nyathi: SCM Manager Email: <a href="mailto:davidn@umdoni.gov.za">davidn@umdoni.gov.za</a> Tell: 039 976 1202	70%	120 days	R300 Non-refundable	29-07-2022	19-08-2022  At 12:00 pm
04/2023 MN75/20 22	The appointment of a fully independent laboratory to test sea water samples for a period of 3 years	Miss N Dlamini: Manager – Beach Email: <a href="mailto:Nomfundod@umdoni.gov.za">Nomfundod@umdoni.gov.za</a> Tell: 072 198 8107 SCM ISSUES Mr D Nyathi: SCM Manager Email: <a href="mailto:davidn@umdoni.gov.za">davidn@umdoni.gov.za</a> Tell: 039 976 1202	70%	120 days	R250 Non-refundable	29-07-2022  <b>Compulsory briefing on 05-08-2022 at Scottburgh main beach 10h00 am</b>	19-08-2022  At 12:00 pm
05/2023 MN76/20 22	Supply, Install and Service of swimming pool pumps at Scottburgh swimming pools for a period of 36 months	Miss N Dlamini: Manager – Beach Email: <a href="mailto:Nomfundod@umdoni.gov.za">Nomfundod@umdoni.gov.za</a> Tell: 072 198 8107 SCM ISSUES Mr D Nyathi: SCM Manager Email: <a href="mailto:davidn@umdoni.gov.za">davidn@umdoni.gov.za</a> Tell: 039 976 1202	70%	120 days	R250 Non-refundable	29-07-2022	19-08-2022  At 12:00 pm
01/2023 MN61/20 22	APPOINTMENT OF A PROJECT MANAGER AND TEAM OF PROFESSIONALS : SECTIONALIZATION OF RIVERSIDE PARK	Mr S Zamisa - Manager, Housing Email: <a href="mailto:sboz@umdoni.gov.za">sboz@umdoni.gov.za</a> Tell: 039 976 1324 Mr D Nyathi: SCM Manager Email: <a href="mailto:davidn@umdoni.gov.za">davidn@umdoni.gov.za</a> Tell: 039 976 1202	60%	120 days	R500 Non-refundable	29-07-2022	19-08-2022  At 12:00 pm

	AND OPENING OF TOWNSHIP REGISTER						
02/2023 MN62/20 22	PROVISION OF BANKING SERVICES	Mr Z Mhlongo: A.C.F.O Email: <a href="mailto:zakhelem@umdoni.gov.za">zakhelem@umdoni.gov.za</a> Tell: 039 976 1202	60 Points	120 days	R1000 Non-refundable	29-07-2022	26-10-2022 At 12:00 pm
07/2023 MN68/20 22	APPOINTMENT OF A CONTRACTOR FOR THE CONSTRUCTION OF KWAMPONDO SORTFIELD IN WARD 1	Mr S Xulu – Manager: PMU Email: <a href="mailto:sandilex@umdoni.gov.za">sandilex@umdoni.gov.za</a> Tell: 039 976 1324 SCM ISSUES Mr D Nyathi – Manager : SCM Email: <a href="mailto:davidn@umdoni.gov.za">davidn@umdoni.gov.za</a> Tell: 039 976 1202	60%  Grading 5 CE or higher	120 days	R500 Non-refundable	<b>Compulsory briefing Held on 12-08-2022 at uMzinto town hall 11:00 am</b>	19-08-2022  At 12:00 pm
08/2023 MN69/20 22	APPOINTMENT OF A CONTRACTOR FOR THE CONSTRUCTION OF MANDLALATHI COMMUNITY HALL IN WARD 2	Mr S Xulu – Manager: PMU Email: <a href="mailto:sandilex@umdoni.gov.za">sandilex@umdoni.gov.za</a> Tell: 039 976 1324 SCM ISSUES Mr D Nyathi – Manager : SCM Email: <a href="mailto:davidn@umdoni.gov.za">davidn@umdoni.gov.za</a> Tell: 039 976 1202	60%  Grading 5 GB or higher	120 days	R500 Non-refundable		19-08-2022  At 12:00 pm
09/2023 MN65/20 22	APPOINTMENT OF A CONTRACTOR FOR THE CONSTRUCTION OF MGANGENI COMMUNITY HALL WARD 4	Mr S Xulu – Manager: PMU Email: <a href="mailto:sandilex@umdoni.gov.za">sandilex@umdoni.gov.za</a> Tell: 039 976 1324 SCM ISSUES Mr D Nyathi – Manager : SCM Email: <a href="mailto:davidn@umdoni.gov.za">davidn@umdoni.gov.za</a> Tell: 039 976 1202	60%  Grading: 5 GB or higher	120 days	R500 Non-refundable		23-08-2022  At 12:00 Pm
10/2023 MN66/20 22	APPOINTMENT OF A CONTRACTOR FOR THE PROPOSED UPGRADE OF SMOLO ROAD WARD 9	Mr S Xulu – Manager: PMU Email: <a href="mailto:sandilex@umdoni.gov.za">sandilex@umdoni.gov.za</a> Tell: 039 976 1324 SCM ISSUES Mr D Nyathi – Manager : SCM Email: <a href="mailto:davidn@umdoni.gov.za">davidn@umdoni.gov.za</a> Tell: 039 976 1202	70%  Grading: 5 CE or higher	120 days	R500 Non-refundable		23-08-2022  At 12:00 Pm
11/2023 MN67/20 22	APPOINTMENT OF A CONTRACTOR FOR THE PROPOSED RE-GRAVELLING OF MYEZA ROAD WARD 14	Mr S Xulu – Manager: PMU Email: <a href="mailto:sandilex@umdoni.gov.za">sandilex@umdoni.gov.za</a> Tell: 039 976 1324 SCM ISSUES Mr D Nyathi – Manager : SCM Email: <a href="mailto:davidn@umdoni.gov.za">davidn@umdoni.gov.za</a> Tell: 039 976 1202	70%  Grading: 4CE or higher	120 days	R500 Non-refundable		23-08-2022  At 12:00 Pm
12/2023 MN70/20 22	APPOINTMENT OF A SERVICE PROVIDER TO SUPPLY, INSTALL AND SERVICE OF	Miss N Dlamini: Manager – Beach Email: <a href="mailto:Nomfundod@umdoni.gov.za">Nomfundod@umdoni.gov.za</a>	N/A	120 days	R300 Non-refundable	29-07-2022	22-08-2022  AT 12:00 Pm

	SANITARY BINS FOR A PERIOD OF 36 MONTHS	Tell: 072 198 8107 SCM ISSUES Mr D Nyathi: SCM Manager Email: <a href="mailto:davidn@umdoni.gov.za">davidn@umdoni.gov.za</a> Tell: 039 976 1202					
13/2023 MN77/20 22	PROVISION OF LIFEGUARD AT UMDONI BEACHES FOR A PERIOD OF 36 MONTHS	Miss N Dlamini: Manager – Beach Email: <a href="mailto:Nomfundod@umdoni.gov.za">Nomfundod@umdoni.gov.za</a> Tell: 072 198 8107 SCM ISSUES Mr D Nyathi: SCM Manager Email: <a href="mailto:davidn@umdoni.gov.za">davidn@umdoni.gov.za</a> Tell: 039 976 1202	70%	120 days	R500 Non-refundable	29-07-2022	22-08-2022  AT 12:00 Pm

**MANDATORY DOCUMENTS TO BE SUBMITTED, FAILURE TO DO SO WILL LEAD TO THE TENDER BEING REGARDED AS NON-RESPONSIVE.**

Tender documents will be available in the Etender Publication Portal which can be obtained through the following website: [www.etenders.gov.za](http://www.etenders.gov.za) also obtained from Umdoni Municipal Main Office next Scottburgh town hall at cashiers (07:30am to 14:30pm), (cheque payments are not allowed), from the 29 July 2022.

**Umdoni Local Municipality subscribes to the Preferential Procurement Policy Framework Act, 2000, (Act No.5 of 2000).**

Bid documents, clearly marked with bid name and bid number must be deposited in the tender box inside the reception area of UMDONI MUNICIPALITY situated at Cnr of Bram Fischer and Williamson Street, Scottburgh, where bids will be opened in public. The name and address of the bidder must be clearly written on the sealed envelope containing the bid. Umdoni Municipality will not take responsibility for documents delivered or collected via courier services. Bids shall be valid for a period of **120 days** after closing date. **Late bids or Bids received by way of facsimile or e-mail will under no circumstances be considered.**

The Umdoni Municipality does not bind itself to accept the lowest, or any bid, either wholly or in part or give any reason for such action.

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**Ms T C Ndlela**

**MUNICIPAL MANAGER**



# **UMDONI MUNICIPALITY**

The J.E.W.E.L of the South Coast

## **DOCUMENTS TO ACCOMPANY BID DOCUMENTS**

Failure to submit the following documents will invalidate your bid

1. Valid SARS tax compliant status or SARS pin
2. Central Supplier database proof of registration
3. Bidding Proposal
4. Proof the bidder is not in arrears for Municipal taxes (rates, refuse, water and lights) for a period not exceeding 3 months)
5. Commercial banking license
6. latest credit rating report by an independent credit rating agency
7. Latest Audited financial statements (not older than 3 years)
8. Certified copy B-BBEE Certificate or Sworn Affidavit
9. Company Registration certificate and certified copies of ID for Directors

**NB: ALL CERTIFIED DOCUMENT MUST NOT BE OLDER THAN 6(SIX) MONTHS**

# **UMDONI MUNICIPALITY**

The J.E.W.E.L of the South Coast

## **EXPERIENCE**

<b>NAME OF CLIENT, CONTACT PERSON &amp; CONTACT NUMBER</b>	<b>RELEVANT EXPERIENCE</b>	<b>VALUE OF ORDERS SUPPLIED</b>	<b>DATES / YEARS</b>

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

## PART A INVITATION TO BID

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF MUNICIPALITY/ MUNICIPAL ENTITY)</b>			
BID NUMBER:		CLOSING DATE:	
DESCRIPTION			

**THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).**

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX  
SITUATED AT (STREET ADDRESS


### SUPPLIER INFORMATION

NAME OF BIDDER			
POSTAL ADDRESS			
STREET ADDRESS			
TELEPHONE NUMBER	CODE		NUMBER
CELLPHONE NUMBER			
FACSIMILE NUMBER	CODE		NUMBER
E-MAIL ADDRESS			
VAT REGISTRATION NUMBER			
TAX COMPLIANCE STATUS	TCS PIN:		OR CSD No:
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes  <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT  <input type="checkbox"/> Yes  <input type="checkbox"/> No

**[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]**

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3 ]
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE	R
SIGNATURE OF BIDDER		DATE	
CAPACITY UNDER WHICH THIS BID IS SIGNED			
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>		<b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>	
DEPARTMENT		CONTACT PERSON	
CONTACT PERSON		TELEPHONE NUMBER	
TELEPHONE NUMBER		FACSIMILE NUMBER	
FACSIMILE NUMBER		E-MAIL ADDRESS	
E-MAIL ADDRESS			

## 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)?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	<input type="checkbox"/> YES <input type="checkbox"/> NO
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.	

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:

.....



## 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, hareholder<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**

**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**

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

Where

$P_s$  = Points scored for price of bid under consideration

$P_t$  = Price of bid under consideration

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

## 4. 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:

i) What percentage of the contract will be subcontracted.....%

ii) The name of the sub-contractor.....

iii) The B-BBEE status level of the sub-contractor.....

iv) Whether the sub-contractor is an EME or QSE

(Tick applicable box)

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

v) 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 √	QSE √
Black people	<input type="checkbox"/>	<input type="checkbox"/>
Black people who are youth	<input type="checkbox"/>	<input type="checkbox"/>
Black people who are women	<input type="checkbox"/>	<input type="checkbox"/>

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 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?  (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).  <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 <input type="checkbox"/>	No <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)? <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 <input type="checkbox"/>	No <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 <input type="checkbox"/>	No <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 <input type="checkbox"/>	No <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 <input type="checkbox"/>	No <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



## PROVISION OF BANKING SERVICES

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### 1. PURPOSE OF THE REPORT

The report is submitted for the committee's consideration and approval.

### 2. SCOPE OF THE CONTRACT

- 2.1 An efficient and cost effective current account administration service;
- 2.2 Enhanced business processes for improved efficiencies resulting in related costs;
- 2.3 Processes and controls to mitigate operational risk and fraud;
- 2.4 A completed centralized banking service consisting ultimately of 1 main trans-active bank account; the seamless phased-in implementation of the conversion interface with the successful bidder; the ability to handle large volume transactions.
- 2.5 The ability to submit information in a format which meets with the SAMRAS System for bank reconciliation purposes.
- 2.6 On-Line stop payment facility.
- 2.7 On-Line account enquiries.
- 2.8 The ability to identify direct deposits and other transactions/transfers on-line.
- 2.9 The ability to download bank statements in an acceptable and compatible format.
- 2.10 Bank statements and all supporting documentation to be delivered on a daily basis;
- 2.11 The ability to pay salaries by way of compatible payroll system (VIP) directly into the employees bank accounts via a PC/IT based interface;
- 2.12 Payment of third party accounts via electronic media (debit orders, electronic payments, etc.); Receiving of payments via electronic media (payments of clients directly into the Municipalities bank account via electronic media);
- 2.13 Full audit trail and updated security system;
- 2.14 A facility whereby consumers and levy payers can make payments on their account directly to the bank on submission of their account;
- 2.15 A facility whereby consumers and levy payers can make payments on their accounts directly to the municipality by way of debit orders;

- 2.16 Favorable interest rate on credit balances in the current account;  
on request, providing duplicate deposit slips for direct deposits on bank  
account
3. **The bidder must submit a proposal that covers specifically the listed specifications. All topics must be covered according to the below sequence. Any other additional information must be submitted in a separate proposal.**

**The bidder must:**

- 3.1 Be licensed commercial banker.
- 3.2 Be registered in the National Treasury Central Suppliers Database.
- 3.3 Comply with all tax matters (including Municipal accounts, water board accounts and electricity Accounts) (Provide proof (statements not older than 3 months)
- 3.4 Provide latest credit rating report by an independent credit rating agency
- 3.5 Provide latest Audited Financial Statements
- 3.6 Provide latest safe banking technology and banking services.
- 3.7 Demonstrate solutions offered to current or previous banking clients that yielded good returns/ propose banking solutions that may be offered in particular to asset Management and infrastructure development.
- 3.8 Country wide Branch Network (Provide location and number of branches)
- 3.9 Country wide ATM network
- 3.10 Have proven previous experience in handling Municipal Bank accounts/ Municipal Entities accounts.
- 3.11 Details of the following in respect of the branch which will be designated as the home branch of Municipality's main bank account:
  - 3.11.1 Name and Physical location
  - 3.11.2 Management structure names and positions
  - 3.11.3 Staffing numbers and Structures
  - 3.11.4 After-hours access to branch
- 3.12 Separate Cash in transit proposal (Optional)
- 3.13 Demonstrate social cohesion initiatives implemented within the uMdoni Municipal Jurisdiction, if there are no projects implemented include



proposed social cohesion initiatives that may be implemented within the uMdoni area.

**4. INSURANCE REQUIRED**

As regulated by the South African Reserve Bank (SARB)

**5. PLACE OF DELIVERY**

N/A

**6. PENALTIES**

N/A

**7. COMPLIANCE WITH ANY LEGISLATION, BYLAWS, ETC**

7.1 The Local Government: Municipal Finance Management Act 56 of 2003 (and applicable Regulations)

7.2 The Constitution of the Republic of South Africa, 1996

7.3 The Municipality's other policies such as the procurement, budget policies, Municipal Rate bylaws, Municipal Standard Chart of Accounts etc.

**8. GUARANTEE/WARRANTY/DEFECTS LIABILITY PERIOD**

N/A

**9. CONTRACT PERIOD**

5 YEARS

**10. ESCALATION**

Based on Inflation rate as per **South African Reserve bank (SARB)** regulations

N/A

**11. INSPECTIONS**

N/A

**12. TENDER VALIDITY PERIOD**

120 days

**13. TENDER DOCUMENT PRICE**

Non- refundable amount of the bid document is R1000.00

**14. TENDER ADVERT PERIOD**

60 Days



uMDONI MUNICIPALITY

**PROPOSED BID 02/2023 AND CONTRACT**  
**BANKING SERVICES**

**BID DOCUMENT****BID NO: 02/2023 MN: 62/2022****DESCRIPTION: THE SUPPLY OF BANKING SERVICES****CLOSING DATE: 26 OCTOBER 2022****CLOSING TIME: 12h00 PM****BID DOCUMENTS MAY BE SUBMITTED AT:**

UMDONI MUNICIPAL OFFICES: MAIN OFFICE RECEPTION AREA  
 CNR BRAM FISCHER & WILLIAMSON STREET  
 SCOTTBURGH

NB: BIDS must be properly received and deposited in the above mentioned bid box on or before the closing date and before the closing time. No late bid offers will be accepted under any circumstances. Bid offers must be submitted in a sealed envelope properly marked in terms of the bid number and bid description as indicated above. If the bid offer is too large to fit into the abovementioned box, please enquire at the public counter opposite the bid boxes for assistance. No bid offers will be accepted via facsimile, email or electronic copies.

<b>BIDER</b>	
<b>NAME OF BIDER</b>	.....
<b>ADDRESS</b>	..... .....
<b>TEL NO</b>	.....

All bids must be submitted on the official bid documents issued by UMDONI MUNICIPALITY for this bid and not be re-typed.

Do not un-bind this Bid Document (do not take it apart or put documents between its pages) and all other documents of the submission must be attached to this Bid Document. All separated documents may be disqualified.

**ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:**

Department: Supply Chain Management

Contact Person: Mr. D NYATHI

Tel: 039 976 1202

Fax: 039 976 0017

Email: [davidn@umdoni.gov.za](mailto:davidn@umdoni.gov.za)

**ANY ENQUIRIES REGARDING TECHNICAL INFORMATION / SPECIFICATIONS MAY BE DIRECTED TO:**

Contact Person: Mr. Z Mhlongo

Tel: 039 976 1202

Fax: 039 976 0017

[zakhelem@umdoni.gov.za](mailto:zakhelem@umdoni.gov.za)

## **CHECKLIST**

Please ensure that you have included all the documents listed below and submit it with your bid document as well as ensure that you adhere to the listed requirements. This will ensure that your bid is not deemed to be non-responsive and disqualified

### **PLEASE TICK BOX**

- ☐ Valid tax pin
- ☐ Central Supplier database proof of registration
- ☐ Bidding proposal
- ☐ Commercial banking license
- ☐ Proof of registration according to the Banks Act No. 94 of 1990 as amended
- ☐ Pricing schedule duly completed.
- ☐ Recent credit rating of the institution by an independent rating agency
- ☐ Proof that the bidder does not owe municipal accounts. (Local branch) (If applicable). If not applicable proof that the local branch does not own property within uMdoni and they are not liable to pay any rates, lights and water directly.
- ☐ Proposal document has all the specified points.
- ☐ Latest audited annual financial statements.
- ☐ List of clients (local, provincial, national or parastatal )
- ☐ All relevant sections completed and signed and all pages of bid document initialed by authorized signatory
- ☐ Proof attached that signatory is duly authorized to enter into contractual agreement with UMdoni Municipality on behalf of the organization
- ☐ Local branch contact details and contact details of the account relationship manager.

## **DECLARATION**

I declare that all relevant documentations have been included with the bid document and the entire bid conditions have been adhered to.

.....  
Name

.....  
Signature

.....  
Date

.....  
Capacity

.....  
Name of Firm

# UMDONI MUNICIPALITY

The J.E.W.E.L. of the South Coast

Postal Address:

Box 19  
Scottburgh  
4180

Physical Address:

Cnr Bram Fischer & Williamson Street  
Scottburgh  
4180

Tel: 039 - 976 1202

Fax: 039 - 976 0381

## Advertisement calling for Bids

**M/N NUMBER: 62/2022**

**BID NO.: 02/2023**

### PROVISION OF BANKING SERVICES

Proposals are hereby invited suitably qualifying bidders for provision of banking services to Umdoni Local Municipality. Bid documents may be obtained from the Umdoni Local Municipality offices at corner Bram Fischer and Williamson Street, Scottburgh, 4180, from 29 July 2022, upon non-refundable cash payment of R1000.00.

Documents are also available from the e-tenders portal at [www.etenders.gov.za](http://www.etenders.gov.za) at no cost.

Bids are to be completed in accordance with the conditions attached to the bid document and must be sealed and endorsed with the relevant bid number and must be Deposited in the official bid box in the foyer of the Umdoni Local Municipality at Corner Bram Fischer and Williamson Street, Scottburgh, 4180 not later than **12h00 pm on 26 October 2022** at which time bids will be opened in public. Bids delivered to the municipality by courier services must be deposited in the bid box on time late submissions will not be considered. Bids shall be valid for a period of 90 days after the closing date for the submission of bids.

Umdoni Local Municipality subscribes to the Preferential Procurement Policy Framework Act, 2000 (Act No.5 of 2000). The 80/20 preference point system shall be applicable during the evaluation and adjudication of this contract. All bidders must score 60 points and above on the functionality evaluation Stage 1 of evaluation for their bids to be considered in the 80/20 preference point system. The following aspects will be weighted.

Functionality	100						
<ul style="list-style-type: none"> <li>Previous Experience (local government Clients list, reference letters)               <table border="0"> <tr> <td>Clients List and more than 5 reference letters, more than 20 years in business</td><td>50 points</td></tr> <tr> <td>Clients List and less than 5 reference letters, less than 20 years in business</td><td>10 points</td></tr> <tr> <td colspan="2">(No points will be allocated on a bid that does not meet all listed requirements) (Clients listed, reference letters)</td></tr> </table> </li> </ul>	Clients List and more than 5 reference letters, more than 20 years in business	50 points	Clients List and less than 5 reference letters, less than 20 years in business	10 points	(No points will be allocated on a bid that does not meet all listed requirements) (Clients listed, reference letters)		50
Clients List and more than 5 reference letters, more than 20 years in business	50 points						
Clients List and less than 5 reference letters, less than 20 years in business	10 points						
(No points will be allocated on a bid that does not meet all listed requirements) (Clients listed, reference letters)							
<ul style="list-style-type: none"> <li>Capacity and Expertise of Account Manager (Please attach CVs and Certified copies of Academic Qualifications)               <table border="0"> <tr> <td>Relationship Manager (Certified Proof of academic qualifications in the banking/commerce sector, more than 10 yrs. handling local government bank accounts, knowledge</td><td>50 points</td></tr> <tr> <td>less than 10 yrs. handling local government bank accounts, knowledge</td><td>10 points</td></tr> </table> </li> </ul>	Relationship Manager (Certified Proof of academic qualifications in the banking/commerce sector, more than 10 yrs. handling local government bank accounts, knowledge	50 points	less than 10 yrs. handling local government bank accounts, knowledge	10 points	50		
Relationship Manager (Certified Proof of academic qualifications in the banking/commerce sector, more than 10 yrs. handling local government bank accounts, knowledge	50 points						
less than 10 yrs. handling local government bank accounts, knowledge	10 points						
<b>STAGE 2 OF EVALUATION – PRICE &amp; PREFERENTIAL POINTS</b>							
<b>BBBEE POINTS</b>	<b>20</b>						
<b>PRICE</b>	<b>80</b>						
<b>TOTAL</b>	<b>100</b>						

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All bid queries are to be directed to Mr. M S Dlamini and Ms. S. Vilakazi of the Umdoni Finance Department, on telephone numbers 039-9761202 and e-mails [davidn@umoni.gov.za](mailto:davidn@umoni.gov.za) and [zakhelem@umdoni.gov.za](mailto:zakhelem@umdoni.gov.za)

Umdoni Local Municipality does not bind itself to accept the lowest or any bid and reserves the right to accept any bid in whole or part.

**Ms T C Ndlela**

**MUNICIPAL MANAGER**

Initial \_\_\_\_\_

## SECTION 1.2

### BID CONDITIONS AND INFORMATION

#### 1.2.1 General and Special Conditions of Contract

The General Conditions of Contract (GCC) as well as Special Conditions of Contract (SCC) forming part of this set of bid documents will be applicable to this bid in addition to the conditions of bid. Where the GCC and SCC are in conflict with one another, the stipulations of the SCC will prevail.

#### 1.2.2 Acceptance or Rejection of a Bid

The Municipality reserves the right to withdraw any invitation to bid and/or to re-advertise or to reject any bid or to accept a part of it. The Municipality does not bind itself to accepting the lowest bid or the bid scoring the highest points.

#### 1.2.3 Validity Period

Bids shall remain valid for 120 days after the bid closure date.

#### 1.2.4 Cost of Bid Documents

These costs are non-refundable.

#### 1.2.5 Registration on Accredited Supplier Database

It is expected of all prospective service providers who are not yet registered on the National Treasury's Central Supplier Database to register without delay on the prescribed form. The Municipality reserves the right not to award bids to prospective suppliers who are not registered on the Database.

#### 1.2.6 Completion of Bid Documents

- (a) The original bid document must be completed fully in black ink and signed by the authorized signatory To validate the bid. All the pages must be initialed by the authorized signatory and returned. Failure to do so will result in the disqualification of the bid.
- (b) Bid documents may not be retyped. Retyped documents will result in the disqualification of the bid.
- (c) The complete original bid document must be returned. Missing pages will result in the disqualification of the bid.
- (d) No unauthorized alteration of this set of bid documents will be allowed. Any unauthorized alteration will disqualify the bid automatically. Any ambiguity has to be cleared with the contact person for the bid before the bid closure.

Initial \_\_\_\_\_



- (e) Bids must be completed in indelible ink and NO CORRECTION FLUID may be used in the Bid Document. If corrections must be made, a line must be drawn through the correction and it must be initialed.

### 1.2.7 Compulsory Documentation

#### 1.2.7.1 Income Tax Clearance Certificate

- (a) A valid tax status compliance pin sheet must accompany the bid documents.

#### 1.2.7.2 Municipal Rates, Taxes and Charges (if applicable)

- (a) A certified copy of the bidder's municipal account for the month preceding the bid closure date must accompany the bid documents.
- (b) Any bidder which is or whose directors are in arrears with their municipal rates and taxes or municipal charges due to any Municipality or any of its entities for more than three months and have not made an arrangement for settlement of same before the bid closure date will be disqualified.

### 1.2.8 Authorized Signatory

- (a) A copy of the recorded Resolution taken by the Board of Directors, members, partners or trustees authorizing the representative to submit this bid on the bidder's behalf must be attached to the Bid Document on submission of same.
- (b) A bid shall be eligible for consideration only if it bears the signature of the bidder or of some person duly and lawfully authorized to sign it for and on behalf of the bidder.

### 1.2.11 Submission of Bid

- (a) The bid must be placed in a sealed envelope, or envelopes when the two-envelope system is specified, clearly marked with the bid number, title as well as closing date and time and be - placed in the **bid box on or before the 26 OCTOBER 2022 at Umdoni Municipality, Crn Bram Fischer and Williamson Street, Scottburgh**
- (b) Faxed, e-mailed and late bids will not be accepted. Bids may be delivered by hand, by courier **at the bidder's risk** and must be received by the deadline specified above and be place in the bid box, irrespective of how they are sent or delivered.

### 1.2.12 Expenses Incurred in Preparation of Bid

The Municipality shall not be liable for any expenses incurred in the preparation and submission of the bid.

### 1.2.13 Contact with Municipality after Bid Closure Date

Bidders shall not contact the UMDONI Municipality on any matter relating to their bid from the time of the opening of the bid to the time the contract is awarded. If a bidder wishes to bring additional information to the notice of the UMDONI MUNICIPALITY Municipality, it should do so in writing to the UMDONI MUNICIPALITY. Any effort by the

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firm to influence the UMDONI MUNICIPALITY in the bid evaluation, bid comparison or contract award decisions will result in the rejection of the bid.

#### 1.2.14 Opening, Recording and Publications of Bids Received

- (a) Bids will be opened on the closing date immediately after the closing time specified in the bid documents. If requested by any bidder present, the names of the bidders, and if practical, the total amount of each\* bid and of any alternative bids will be read out aloud.
- (b) Details of bids received in time will be published on the Municipality's website as well as recorded in a register which is open to public inspection.

#### 1.2.15 Evaluation of Bids

Bids will be evaluated in terms of their responsiveness to the bid specifications and requirements as well as such additional criteria as set out in this set of bid documents. The proposal will be subjected to a functional evaluation as follows: **Bidders must score 60 points and above to be considered for the next stage of evaluation.**

#### A. ADDITIONAL INFORMATION TO BE SUPPLIED

**The Bidders MUST supply the following information, in addition to the information required in response to the Specifications in Section C:**

- Be licensed commercial banker.
- Be registered in the National Treasury Central Suppliers Database.
- Comply with all tax matters (including Municipal accounts, water board accounts and electricity Accounts) (Provide proof (statements not older than 3 months)
- Provide latest credit rating report by an independent credit rating agency
- Provide latest Audited Financial Statements
- Provide latest safe banking technology and banking services.
- Demonstrate solutions offered to current or previous banking clients that yielded good returns/ propose banking solutions that may be offered in particular to asset Management and infrastructure development.
- Country wide Branch Network (Provide location and number of branches).
- Country wide ATM network
- Have proven previous experience in handling Municipal Bank accounts/ Municipal Entities accounts.
- Details of the following in respect of the branch which will be designated as the home branch of Municipality's main bank account:

Name and Physical location  
Management structure names and positions  
Staffing numbers and Structures  
After-hours access to branch

- Separate Cash in transit proposal (Optional)

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- Demonstrate social cohesion initiatives implemented within the uMdoni Municipal Jurisdiction, if there are no projects implemented include proposed social cohesion initiatives that may be implemented within the uMdoni area.

#### 1.2.16 Supply Chain Management Policy and Regulations

Bids will be awarded in accordance with the Preferential Procurement Regulations, No R725 of 07 December 2011 (BBBEE) as well as the Municipality's Supply Chain Management Policy.

#### 1.2.17 Contract

The successful bidder will be expected to sign the agreement of this bid document within 7 (seven) days of the date of notification by the UMdoni Municipality that his/her bid has been accepted. **The signing of the relevant sections of this bid document signifies the conclusion of the contract. The Municipality, at its discretion, may request the signing of an additional Service Level Agreement which, together with the signed bid document, will constitute the full agreement between the Municipality and the successful bidder.**

#### 1.2.18 Language of Contract

The contract documents will be compiled in English and the English versions of all referred documents will be taken as applicable.

#### 1.2.19 Stamp and Other Duties

The successful bidder will be liable for all duties and costs on legal documents resulting in the establishment of a contract and for the surety and retentions.

#### 1.2.20 Wrong Information Furnished

Where a contract has been awarded on the strength of the information furnished by the bidder which, after the conclusion of the relevant agreement, is proved to have been incorrect, the Municipality may, in addition to any other legal remedy it may have, recover from the contractor all costs, losses or damages incurred or sustained by the Municipality as a result of the award of the contract.

#### 1.2.21 Enquiries

Enquiries in connection with this bid, regarding the Supply Chain Management related aspects prior to the bid closure date, may be addressed to Enquiries regarding the specifications may be addressed to

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of bidder

### SECTION 1.3

<b>General Conditions of Contract</b>
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## 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 anything 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.

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- 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 Bid Bulletin. The Government Bid 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.

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- 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

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- 8.8 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. 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 onsite, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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- 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

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- 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 these 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

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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 Bid 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

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- 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 favorable 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

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- 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.

**29. Governing language**

- 29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

**30. Applicable law**

- 30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.

**31. Notices**

- 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

**32. Taxes and duties**

- 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

**33. National Industrial Participation (NIP) Programme**

- 33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

**34 Prohibition of Restrictive practices**

- 34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
- 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

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- 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.

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**NB: NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE (see definition on MBD 4 attached)**

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

NAME OF BIDDER .....

POSTAL ADDRESS .....

STREET ADDRESS .....

TELEPHONE NUMBER CODE..... NUMBER.....

CELLPHONE NUMBER .....

FACSIMILE NUMBER CODE..... NUMBER.....

VAT REGISTRATION NUMBER .....

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

ARE YOU THE ACCREDITED REPRESENTATIVE  
IN SOUTH AFRICA FOR THE GOODS / SERVICES OFFERED BY YOU? **YES / NO**  
(IF YES ENCLOSE PROOF)

SIGNATURE OF BIDDER .....

DATE .....

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

**ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:**

**Department:** Supply Chain Management

**Contact Person:** Mr. D Nyathi

**Tel:** 039 976 1202

**Fax:** 039 976 0017 davidn@umdoni.gov.za

**ANY ENQUIRIES REGARDING TECHNICAL INFORMATION / SPECIFICATIONS MAY BE DIRECTED TO:**

**Contact Person:** Mr. Z Mhlongo

**Tel:** 039 976 1202

**Fax:** 039 976 0017 [zakhelem@umdoni.gov.za](mailto:zakhelem@umdoni.gov.za)

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## SECTION 4.3

### DETAILED SPECIFICATIONS AND COMPLIANCE STATEMENTS

#### TERMS OF REFERENCE

#### DETAILED SPECIFICATION COMPLIANCY STATEMENT

#### INTRODUCTION

The Bidder's proposal should effectively and adequately, without ambiguity demonstrate how it is able to provide its services to the Municipality. The proposal should encompass key areas of support and partnering i.e. innovation, high quality, value-add solutions and pro-activity of its service models.

**The requirements of the Municipality are that the successful Bidder is able to provide the following:**

- An efficient and cost effective current account administration service;
- Enhanced business processes for improved efficiencies resulting in related costs;
- Processes and controls to mitigate operational risk and fraud;
- A completed centralised banking service consisting ultimately of 1 main trans-active bank account; the seamless phased-in implementation of the conversion interface with the successful bidder; the ability to handle large volume transactions.
- The ability to submit information in a format which meets with the SAMRAS System for bank reconciliation purposes.
- On-Line stop payment facility.
- On-Line account enquiries.
- The ability to identify direct deposits and other transactions/transfers on-line.
- The ability to download bank statements in an acceptable and compatible format.
- Bank statements and all supporting documentation to be delivered on a daily basis;
- The ability to pay salaries by way of compatible payroll system (VIP) directly into the employees bank accounts via a PC/IT based interface;
- Payment of third party accounts via electronic media (debit orders, electronic payments, etc);
- Receiving of payments via electronic media (payments of clients directly into the Municipalities bank account via electronic media);
- Full audit trail and updated security system;
- A facility whereby consumers and levy payers can make payments on their account directly to the bank on submission of their account;
- A facility whereby consumers and levy payers can make payments on their accounts directly to the municipality by way of debit orders;
- Favourable interest rate on credit balances in the current account;
- On request, providing duplicate deposit slips for direct deposits on bank account.

The proposed solutions should be discussed under the following headings in the bid document requested from the Bidders i.e.:

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- A. Transactional Banking Services
- B. Electronic Banking Services
- C. Implementation and Training

Pricing to be completed on the template provided and all additional costs that the Bidder foresees will be incurred by the Municipality are to be included as an appendix to the bid document.

## **(A) TRANSACTIONAL BANKING SERVICES**

### **Requirements**

Account categories:

- Main Consolidated Current account

### **Accounts**

- Deposit identifier ( general validation)
- Set-off of credit / debit balances
- Access to account balances and able to transact 24 hours a day

### **Current Account services**

#### **1. Introduction**

The successful Bidder should provide unique client service addressing the requirements of the Municipality.

The Bidder should provide a commitment to offer customised and sustainable banking services in relation to the Municipality's needs through dedicated service managers.

### **Payment /Receipt Services**

The Bidder should be able to provide the following service the processing of electronic payments; and the processing of electronic deposits

#### **3. Beneficiary bank account verification service**

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The Bidder is to provide confirmation (affirmative or negative only) of details (Account name, branch code, and account number) supplied by the Municipality. This service we believe will provide the necessary validation of beneficiary banking details prior to input into the Municipality's beneficiary address book.

The Bidder should have the ability to transmit confirmation requests to the Municipality by Electronic means, e-mail, telephone and fax.

#### **4. Statements**

The Bidder is to provide statements on all accounts on a daily basis to the Municipality. The Bank should also be able to provide for the direct delivery of statements to the Municipality's office.

The Bidder should have the ability for statements to be electronically delivered via e-mail to designated Municipality officials.

#### **5. Deposit Identifier**

The Bidder to be able to provide a deposit identifier on the Municipality's deposits which incorporates a deposit identifier validation routine in order to facilitate identification and reconciliation of all deposits made into the Municipality's accounts.

#### **6. Charges and fees**

The statements should specifically reflect charges in respect of cheque service fee and cash deposit fees alongside each transaction. Other bank charges and fees can appear on separate line items on the statements.

#### **7 Waiting period on cheque payment**

Assistance to be provided on the lifting of the waiting period on cheque payments at any bank, if so requested by the municipality.

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## **(B) ELECTRONIC BANKING SOLUTIONS**

### **1. Introduction**

The Municipality expects the successful Bidder to understand and identify its needs and to provide innovative solutions.

The requirement is the ability to use real-time systems that provides cash management, payment and receipts solutions. These solutions must have built in efficiencies where there is a clear reduction in costs with regard to the Municipality's administration and accounting functions, improved controls with the results being in a reduction in operational risk and fraud.

### **2. Payments Management**

#### **2.1 Introduction**

The Bidder should be able to

- Facilitate the secure and prompt movement of funds.
- Meet the Municipality's requirements in respect of EFT's for all salaries, creditor and other payments.

The following are imperatives for management of payments:

- Prompt and secure processing of all transactions;
- Ability to interface (where required) with payroll and line-of-business applications currently being used; PC-based leased line or dial up access;
- Host connection via a dedicated line;
- Stringent authorisation and security controls;
- Efficient management and reduction of risk processes;
- Enhanced data integrity due to stringent validation controls; and Cost efficient processes.

#### **2.2 Transaction and Balances**

- To provide on-line real-time account balance and transaction enquiries;
- To provide real-time transaction search capabilities; and
- To provide transaction history (list of transactions) storage retrieval for up to 180 calendar days.

#### **2.3 Electronic Funds Transfer (EFT)**

- Payments to beneficiaries to be effected in real-time;
- Payments to beneficiaries at other banks to be effected on a same day value basis if effected by 16h00 weekdays and 10h00 on Saturdays;
- Payment templates to be held on the system for regular payments;

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### **(C) IMPLEMENTATION AND TRAINING**

Dedicated team and Project Manager for:

- All inclusive seamless installation of all solutions
- Transactional Banking Solutions
- Electronic Banking Solutions
- E-Procurement Solutions

Contractual agreement in the line of a Service Level Agreement between the Municipality and the Bank, which agreement is to be compiled by the bidder.

Sufficient time frames for implementation of the different solutions.

Identify training requirements and time frames for the implementation of solutions.

Dedicated implementation team to facilitate smooth transition of banking services to the Municipality.

#### **Electronic Banking**

A dedicated specialist Electronic Banking Manager should attend to the following:

- Ensure correct set up and optimisation of the VIP structure;
- Identify all additional systems interface requirements for electronic statements and electronic fund transfers;
- Identify Cash Management, Payments Management and Internet Banking;
- Liaise with appropriate officials regarding interfaces into the Municipality line of business application and MS Excel applications;
- Identify, in consultation with the Municipality, all access levels, authorities, profiles and limits for officials requiring access to the electronic banking systems;
- Attend to the legal documentation and the signing thereof;
- Formalise service level agreements incorporating back up procedures and processes particularly with regards to electronic funds transfers;
- Identify training requirements and arrange the necessary training in consultation with Municipality; ▫ Provide all user manuals.

### **A. ADDITIONAL INFORMATION TO BE SUPPLIED**

The Bidders should supply the following information, in addition to the information required in response to the Specifications in Section C:

- 1) Latest set of Audited Financial Statements

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- 2) Most recently published credit rating report by independent credit rating agency
- 3) Country wide Branch Network (location and number)
- 4) Country wide ATM network
- 5) Details of the following in respect of the branch which will be designated as the home branch of Municipality's main bank account:
  - a. Name and Physical location
  - b. Management structure names and positions
  - c. Staffing numbers and Structures
  - d. After-hours access to branch
- 6) ICT systems, back up facilities
- 7) Client Training programs and facilities
- 8) Exposure to other Local Government accounts
- 9) Fraud prevention

The Bank should demonstrate how it is able to assist the Municipality in Fraud Prevention and what measures are taken in order to do so.

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**SECTION 4.4****PRICING SCHEDULE****SCHEDULE OF RATES (THIS SECTION STILL TO BE EVALUATED- FOR INFORMATION PURPOSES)**

Bidders are requested to quote firm prices effective. The pricing shall be fixed for one year thereafter price increases are to be negotiated at CPI index.

Separate prices shall be quoted, and the method of their calculation, for each of the services identified in Section C SPECIFICATIONS of this bid.

Any costs applicable to implementation on new banking systems and procedures, including the cost of training the Municipality staff, computer software and hardware etc., should be shown separately from transaction costs.

All prices shall be VAT inclusive. The cost schedule must be completed in full (delete which is not applicable)

The following are the approximate annual volumes and values of Council's banking transactions, based on the previous 12 month period, which will be utilized for the total cost calculations of the bid: (Please base your quotation on the figures given below)

**A      Payments**

Number of EFT payments to third parties	2500
Value of EFT Payments	R 217 592 547.10

**B      Payment of employees**

Number of Employees (Monthly Paid) by ACB	460
Value of payments (12 Months)	R85 212 966

**C      Receipts**

Number of deposits	4800
Value of Deposits:	
EFT payments received	R 220 271 716
Cheque payments received	R 4 5000 000
Cash Received	R7 423235
Duplicate Deposit slips	2500

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**D Bank Statements**

Number of bank statement pages

950

<p><b>THIS FORM MUST BE COMPLETED (FALIURE TO DO SO WILL INVALIDATE YOUR BID) USE ONLY BLACK INK TO COMPLETE THIS FORM</b></p> <p>VALIDITY: 120 DAYS</p> <p>All other costs that may not be covered in this section must be provided separately.</p>	<p><b>BID PRICING SCHEDULE</b></p> <p><b>PAGE NO. 1 OF 3</b></p>
<p><b>DESCRIPTION</b></p>	<p><b>BID PRICE INCLUSIVE OF VAT</b></p>
<p><b><u>Fees for Deposits</u></b></p> <p>Cash</p> <p>Electronic payments by third parties into bank account</p> <p>Payments made by consumer at the bank</p> <p>Unpaid items:</p> <p>    Refer-to-drawer cheques</p> <p>    Post-dated cheque deposited</p> <p>Deposit Identifier</p> <p><b><u>Payments</u></b></p> <p>Cheque Payments</p> <p>Electronic Fund Transfers via the ACB system</p>	<p>R .....</p> <p>R .....</p> <p>R .....</p> <p>R .....</p> <p>R .....</p> <p>R .....</p> <p>R .....</p> <p>R .....</p> <p>R .....</p>

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	PAGE NO. 2 OF 3
<b>Stop payment advices</b>	R .....
<b><u>Bank Reconciliation</u></b>	R.....
Provision of data in format compatible to SAMRAS bank reconciliation system	
Training – General (per person)	R.....
<b><u>Service fee per debit item</u></b>	
Fixed rate (State minimum and maximum if applicable)	R.....
Bank Statements (per page)	R .....
<b><u>Interest on current bank balance – daily</u></b>	
Interest rate: Positive Balance on Current Account	R.....
Interest rate: Over Draft	R.....
<b><u>Other services / fees</u></b>	
Deposit slips – printing and encoding (Per Book)	R .....
Duplicate deposit slips of direct deposits	R .....

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PLEASE COMPLETE AND PROVIDE THE FOLLOWING INFORMATION AS SECTION 4.5 ON YOUR PROPOSAL		PAGE NO 3 OF 3
<b><u>IMPORTANT:</u></b> The questionnaire hereunder / attached must be completed in full by replying to each and every question.		
Is offer strictly to specification?	A	
If not to specification, state deviation / s (on a separate page clearly refereced)	B	
Date when service can commence	C	
Are you registered with the Registrar of Financial Institutions?	D	
State your registration number	E	
Are you registered in terms of section 23(1) or 23(3) of the Value Added Tax Act, 1991 (Act no. 89 of 1991)	F	
If so, state your VAT registration number	G	
Are the prices quoted firm?	H	

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# **THE NATIONAL TREASURY**

**Republic of South Africa**



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

July 2010

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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 goods are so delivered and a valid receipt is obtained.
  - 1.11 "Dumping" occurs when a private enterprise abroad markets its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.

- 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the goods 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 "Supplier" means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.

1.26 "Tort" means in breach of contract.

1.27 "Turnkey" means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.

1.28 "Written" or "in writing" means hand-written 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 (excluding professional services related to the building and construction industry), 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 goods, 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 Invitations to bid are usually published in locally distributed news media and on the municipality/municipal entity website.

## **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.
- 6.2 When a supplier developed documentation / projects for the municipality / municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality / municipal entity.

## **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.

**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 goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.
- 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 goods 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 goods or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Goods 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 goods may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods 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 goods, which do comply with the requirements of the contract. Failing such removal the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods 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 22 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

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, and in any subsequent instructions ordered by the purchaser.

**10. Delivery and documents**

- 10.1 Delivery of the goods and arrangements for shipping and clearance obligations, shall be made by the supplier in accordance with the terms specified in the contract.

**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.

**12. Transportation**

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

**13. Incidental Services**

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

- (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, 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.
- 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 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, 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.
- 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.

**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 or in the purchaser's request for bid validity extension, as the case may be.

**18. Variation orders**

18.1 In cases where the estimated value of the envisaged changes in purchase does not vary more than 15% of the total value of the original contract, the contractor may be instructed to deliver the goods or render the services as such. In cases of measurable quantities, the contractor may be approached to reduce the unit price, and such offers may be accepted provided that there is no escalation in price.

**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 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 goods are required, or the supplier's services are not readily available.

- 21.4 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 22.2 without the application of penalties.
- 21.5 Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without cancelling the contract, be entitled to purchase goods 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 judgement 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.

**THE NATIONAL TREASURY: Republic of South Africa**

- 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 supplier as having no objection and proceed with the restriction.
- 23.5 . Any restriction imposed on any person by the purchaser will, at the discretion of the purchaser, 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 purchaser 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 supplier to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the supplier in regard to goods 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 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 for goods delivered and / or services rendered according to the prescripts of the contract.

## **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.

## **29. Governing language**

29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

## **30. Applicable law**

30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified.

## **31. Notices**

31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice.

31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

## **32. Taxes and duties**

32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid SARS must have certified that the tax matters of the preferred bidder are in order.

32.4 No contract shall be concluded with any bidder whose municipal rates and taxes and municipal services charges are in arrears.

### **33. Transfer of contracts**

33.1 The contractor shall not abandon, transfer, cede assign or sublet a contract or part thereof without the written permission of the purchaser

### **34. Amendment of contracts**

34.1 No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing, shall also be in writing.

### **35. Prohibition of restrictive practices**

35.1 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.

35.2 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 section 59 of the Competition Act No 89 Of 1998.

35.3 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.