

The Respondent will be required to complete and submit the Form of Bid Guarantee upon being nominated as a Pre-qualified Bidder and must as part of its RFQ response indicate its acceptance hereof.

**TO BE SUBMITTED ON THE LETTERHEAD OF THE ISSUER**

**[insert date]**

Issued by: **[insert name of issuer of Bid Guarantee]**

**If favour of: The City of Johannesburg Metropolitan Municipality**

**[Insert Address]**

Capitalised terms in this letter shall have the same meaning as ascribed thereto in the RFQ and RFP, unless the context indicates otherwise.

WHEREAS the City of Johannesburg ("**the City**") has issued a Request for Qualification for the development of an alternative waste treatment facility through a Public-Private Partnership, RFQ No: **[NUMBER]** ("**RFQ**"), in respect of the finance, construction, operation, and maintenance of an Alternative Waste Treatment Facility to divert equal to-, or in excess of 500,000 tonnes per year of Municipal Solid Waste from landfill;

AND WHEREAS **[insert the name of the Respondent]** ("**Respondent**") has been nominated to be appointed as Pre-qualified Bidder, contingent on the provision of this Bid Guarantee being issued to the City;

AND WHEREAS the Respondent intends to submit a Bid Response to the RFP that will be issued to Pre-qualified Bidders;

AND WHEREAS the City requires the Respondent to provide an on-demand guarantee in favour of the City in the amount of **[Twenty Five Million Rand]** ("**Guarantee Amount**") to secure certain undertakings or obligations of the Pre-qualified Bidder;

AND WHEREAS we, **[insert name of issuer of the Bid Guarantee]** ("**Guarantor, which shall be a registered South African Bank or Insurer**") have agreed to issue this guarantee to secure such undertaking and obligations of the Pre-qualified Bidder ("**Pre-qualified Bidder - Bid Guarantee**").

NOW THEREFORE IT IS AGREED AS FOLLOWS:

1. The Guarantor, duly represented by **[insert bank representative name]** being duly authorised to sign this Bid Guarantee, hereby irrevocably and unconditionally guarantees and as a primary obligation undertakes to pay the City without objection or argument amounts not exceeding in aggregate the Guarantee Amount, such payment(s) to be made by the Guarantor upon first written demand by the City being received at the Guarantor's counter, situated at **[insert Guarantor counter address]**, attention **[insert name of the Guarantor's representative]**, declaring that the Pre-qualified Bidder, a Member or Key Contractor of the Pre-Qualified Bidder has:

- 1.1 withdrawn from the procurement process after having been Pre-Qualified by the City, after having considered the RFP and Draft PPP Agreement and after having provided the City with its Notification of Intention to Submit an RFP Response;
- 1.2 breached any Law or Regulation relating to the Municipal Finance Management Act or otherwise relevant to this Procurement;
- 1.3 has been disqualified from any part of the Procurement as a result of Fraud, Corruption, Collusion, breach of Confidentiality, Interference with other Pre-Qualified Bidders or any act of Dishonesty;
- 1.4 failed to extend the term of this Bid Guarantee after agreeing to the City's request to extend the Bid Validity Period as will be permitted in the RFP; or

2. More than one demand may be made under this Bid Guarantee, provided that the total aggregate amount payable shall not exceed the Guarantee Amount.

3. Payment of the amounts demanded will be made without set-off or deduction to the following account, or such other account as the City may notify the Guarantor in writing:

Bank: <insert>  
Account Name: <insert>  
Account Type: <insert>  
Account Number: <insert>  
Branch Name: <insert>  
Branch code: <insert>  
SWIFT Code: <insert>

4. This Bid Guarantee shall be valid and effective from the date of its issue until the earlier of the expiry of the RFP Response Validity Period (which may be extended by the City as will be stipulated in terms of the RFP) and:
  - 4.1 the date that the Pre-qualified Bidder is notified that notwithstanding submission of a Compliant RFP Response, its RFP Response has not, on completion of the evaluation in terms of the RFP, been successful; or
  - 4.2 in the case of a Preferred Bidder, the date on which the Preferred Bidder Guarantee is duly lodged with the City as will be stipulated in terms of the requirements of the RFP.
5. This Bid Guarantee shall remain valid during the above period notwithstanding the Pre-qualified Bidder's insolvency, winding-up, liquidation, business rescue, dissolution or deregistration, whether provisionally or finally.
6. Notwithstanding the above provisions, this Bid Guarantee shall terminate and be returned to the Guarantor within fifteen (15) Business Days of payment of an amount or amounts which in aggregate equal the Guarantee Amount, or, of expiry of the Bid Guarantee as set out above.
7. This Bid Guarantee shall be governed by the laws of the Republic of South Africa, and the parties hereto consent and submit for the benefit of the City to the non-exclusive jurisdiction of the Gauteng Local Division, Johannesburg of the High Court of South Africa.

.....  
Signature of Representative

.....  
Signature of Representative

Date:.....

Date:.....