



**PANEL TO PROVIDE SHORT-TERM INSURANCE SERVICES  
FOR A THREE-YEAR PERIOD**

NOTICE NO: 159 of 2022

BID NO: 8/2/RNM0383

**NAME OF THE BIDDER**

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**BID AMOUNT R** \_\_\_\_\_

TREASURY  
P.O. BOX 5  
PORT SHEPSTONE  
4240

AUGUST 2022

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**RAY NKONYENI MUNICIPALITY**  
NOTICE NO: 159 OF 2022  
BID NO: 8/2/RNM0383

**PANEL TO PROVIDE SHORT-TERM INSURANCE POLICY FOR A THREE-YEAR PERIOD**

Suitably qualified service providers are hereby invited to tender for the Provision of Short-Term Insurance Services. Bidders must be registered with the Financial Services Board and comply with the Short-Term Insurance Act provisions.

Bid documents may be obtained from Ray Nkonyeni Municipality website [www.rnm.gov.za](http://www.rnm.gov.za) and e-tender portal [www.etenders.gov.za](http://www.etenders.gov.za) from **26 August 2022**.

Reference: "Tender No 8/2/RNM0383: Panel to Provide Short-Term Insurance Services for a three-year period

Bidders to submit two (02) copies of the bid document together with the original bid document, bidders that fail to submit copies will be disqualified. Fully completed Bid documents must be submitted in a sealed envelope, clearly marked "Panel to Provide Short-Term Insurance Services for a three-year period" and must be deposited in the Bid box at the Municipal offices at 10 Connor Street, Port Shepstone, no later than 12:00 on Monday, **26 September 2022** after which all Bids will be opened in public.

Ray Nkonyeni Municipality subscribes to the Broad-Based Black Economic Empowerment Act (BBBEEA), Act 53 of 2003, Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000), and Preferential Procurement Regulations, 2017. The 80/20 preference point system shall be applicable during the evaluation and adjudication of this Bid proposal.

**Tenders will be evaluated on functionality, price and BBBEE. All tender offers that fail to score the minimum of 60% of points for Experience will be rejected. The following criteria will be used for functionality evaluation:-**

ASPECT	CRITERIA	MAXIMUM POINTS
<b>Previous experience, capacity and capability</b>	A company with five years or more relevant experience in short-term insurance services for municipalities, details of previous experience to be submitted i.e. Appointment letters	10
	A company with a tender value of seven million rands or more short-term insurance services for a municipality, details of tender value to be submitted i.e. Appointment letters	10
	Experience of key staff fifteen years or more in short-term insurance services for municipalities, details of experience to be submitted i.e. Curriculum Vitae	10

A compulsory meeting will be held on **06 September 2022** @ 10:00 at **Board Room Treasury Offices Margate**

All queries to be directed to Mr V Gqoboka on 039-312 8408 / email: [vuyaniggqoboka@rnm.gov.za](mailto:vuyaniggqoboka@rnm.gov.za)

**NOTE TO BIDDERS ON CONDITIONS OF THE BID:**

- Your attention is specifically drawn to the provisions of regulation 14 of the PPPFA Regulations of 2017 which Ray Nkonyeni Municipality will use as its remedy should the need arise
- The Supply Chain Management Policy of Ray Nkonyeni Municipality will apply. The Council reserves the right not to accept the lowest bid or any bid and reserves the right to accept the whole or part of the bid, or to reject all bids and cancel the notice to bid;
- In cases where there is a compulsory clarification meetings indicated, NO late comers will be entertained, and they should not be allowed to sign the attendance register;
- Only service providers registered in the Central Supplier Database (CSD) will be considered, attach proof of registration failure to attach will result in your bid not evaluated further.
- Only service providers registered **with** the Financial Services Board as Financial Service Providers in terms of the Financial Advisory and Intermediary Services Act, 2002 will be considered, attach **certified copy of the** registration certificate. Failure to attach the certificate will result in your bid not evaluated further;
- Service providers must submit certificate of Proof of Professional Indemnity – minimum R 50,000,000.00, attach certified copy of the certificate. Failure to attach the certificate will result in your bid not evaluated further;
- Service providers must submit certificate of Proof of Cyber Liability – minimum R 50,000,000.00, attach certified copy of the certificate. Failure to attach the certificate will result in your bid not evaluated further;
- Members or Directors of Companies or Service Providers who are state employees are not allowed to bid or quote;
- Unsuccessful bidders will be informed of the Bid outcome through the Municipal website. Aggrieved unsuccessful bidders will be allowed to lodge, within fourteen (14) days of the decision or action, a written objection or complaint to the Office of the Municipal Manager through email, [mm@rnm.gov.za](mailto:mm@rnm.gov.za) or fax number 0865297195. Complaints or objections received after fourteen (14) days of the date of the notice **will not** be entertained; and
- The original bid document plus TWO **extra** (02) copy must be submitted, failure to submit two copies will result in disqualification.
- Bids submitted are to be valid for a period of **120 days**.

S M Mbili  
MUNICIPAL MANAGER

Ray Nkonyeni Municipality  
10 Connor Street  
P O Box 5  
PORT SHEPSTONE  
4240

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

**NB!!!! Please attach copies of the following documents.**

- **Company registration documents.**
- **Certified copy of ID documents of directors/owners/members/ shareholders.**
- **Copy of a valid TAX Compliance Certificate  
Or Tax Compliance Status PIN Sheet.**
- **CSD Registration**
- **Declarations (MBD 4, 8 & 9).**
- **Joint Venture agreements (where applicable)**
- **Proof of registration with the Financial Services Board**
- **Proof of Professional Indemnity – minimum R 50,000,000.00**
- **Proof of Cyber Liability – minimum R 50,000,000.00**


<h2>STANDARD FORMS</h2>
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THIS BID IS SUBJECT TO THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT. THIS BID WILL BE EVALUATED AND ADJUDICATED ACCORDING TO THE FOLLOWING CRITERIA:

1. Relevant specifications
2. Value for money
3. Capability to execute the contract
4. PPPFA & associated regulations

**NB: NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE**

## RAY NKONYENI MUNICIPALITY STANDARD FORM FOR BIDS

### YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE RAY NKONYENI MUNICIPALITY

BID NUMBER:	8/2/RNM0383	CLOSING DATE:	26 September 2022	CLOSING TIME:	12:00
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DESCRIPTION	Panel to Provide Short-Term Insurance Services for a three-year period
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**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)

**RAY NKONYENI MUNICIPALITY**

**PO BOX 5**

**PORT SHEPSTONE (10 Connor Street)**

**4240**

### 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			
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	

DEPARTMENT	TREASURY SCM	CONTACT PERSON	VUYANI GQOBOKA
CONTACT PERSON	BONGANI MFENQA	TELEPHONE NUMBER	039-312-8408
TELEPHONE NUMBER	039-3128304	FACSIMILE NUMBER	
FACSIMILE NUMBER		E-MAIL ADDRESS	<a href="mailto:Vuyani.gqoboka@rnm.gov.za">Vuyani.gqoboka@rnm.gov.za</a>
E-MAIL ADDRESS	<a href="mailto:Bongani.mfenga@rnm.gov.za">Bongani.mfenga@rnm.gov.za</a>		

**MBD 1**

## PART B TERMS AND CONDITIONS FOR BIDDING

### 1. BID SUBMISSION:

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR 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.
- 1.4. THE BID OFFER MUST BE SIGNED BY A PERSON AUTHORIZED TO SIGN ON BEHALF OF THE BIDDER;
- 1.5. A BIDDER WHO SUBMITTED A BID AS A JOINT VENTURE HAS INCLUDED AN ACCEPTABLE JOINT VENTURE AGREEMENT WITH HIS/HER BID;
- 1.6. ONLY A CONSOLIDATED B-BBEE CERTIFICATE, ISSUED BY A SANAS APPROVED VERIFICATION AGENCY, WILL BE ACCEPTABLE FOR THE CLAIMING OF PREFERENCE POINTS WHERE BIDDERS SUBMITTED THEIR BID AS A JOINT VENTURE / CONSORTIUM;
- 1.7. A BIDDER WHO IS A JOINT VENTURE HAS INCLUDED MBD 4, 8 & 9 FOR EACH ENTITY IN THE JOINT VENTURE / CONSORTIUM WITH HIS/HER BID
- 1.8. THE BIDDER OR A COMPETENT AUTHORISED REPRESENTATIVE OF THE CONTRACTOR WHO SUBMITTED THE BID HAS ATTENDED THE COMPULSORY CLARIFICATION MEETING OR SITE INSPECTION;

### 2. TAX COMPLIANCE REQUIREMENTS

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO 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](http://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.

### 3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

- 3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? ☐ YES ☐ NO
- 3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA? ☐ YES ☐ NO
- 3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? ☐ YES ☐ NO
- 3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? ☐ YES ☐ NO
- 3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? ☐ YES ☐ 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: .....



## EVALUATION OF TENDER OFFERS

The procedure for evaluation of responsive Bid Offers will be **METHOD 4 if applicable to your bid: (Financial Offer, preference and quality (functionality))** with 80/20 Preference Points System. Score quality, rejecting all Bid Offers that fail to score the minimum number of points for quality stated in the Bid Data. The total score awarded will be the addition of the two scores for price and preference.

The following formula will be used in Calculation of Percentage for Functionality

$$PS = \frac{So \times Ap}{Ms}$$

Where:

- Ps = percentage scored for functionality by Bid/proposal under consideration
- So = total score of bid/proposal under consideration
- Ms = Maximum possible score
- Ap = percentage allocated for functionality

- I. A maximum of **10 points** will be awarded to a Company who has 5 years or more experience in short term insurance services for municipalities, details of previous experience to be submitted i.e Reference letters
- II. A maximum of **10 points** will be awarded to a Company with tender value of five million rand or more for short term insurance services for a municipality
- III. A maximum of **10 points** will be awarded to a Company with experience of key staff fifteen years or more in short term insurance services for municipalities
- IV. Point system for functionality will be as per table below:-

ASPECT	CRITERIA	MAXIMUM POINTS
<b>Previous experience, capacity and capability</b>	A company with five years or more relevant experience in short-term insurance services for municipalities, details of previous experience to be submitted i.e. Appointment letters	10
	A company with a tender value of seven million rands or more short-term insurance services for a municipality, details of tender value to be submitted i.e. Appointment letters	10
	Experience of key staff fifteen years or more in short-term insurance services for municipalities, details of experience to be submitted i.e. Curriculum Vitae	10
	A company with three years to four years of relevant experience in short-term insurance services for municipalities, details of previous experience to be submitted i.e. Appointment letters	8
	A company with a tender value of three to six million rands for short-term insurance services for a municipality, details of tender value to be submitted i.e. Appointment letters	8

	Experience of key staff ten to fourteen years in short-term insurance services for municipalities, details of experience to be submitted i.e. Curriculum Vitae	8
	A company with one year to two years of relevant experience in short-term insurance services for municipalities, details of previous experience to be submitted i.e. Appointment letters	6
	A company with a tender value of one to four million rands for short-term insurances services for a municipality, details of tender value to be submitted i.e. Appointment letters	6
	Experience of key staff five to nine years in short insurance services for municipalities, details of experience to be submitted i.e. Curriculum Vitae	6

#### b) Financial Offer

The financial offer will be scored using the following formula:

$$Nf = W1 \times [1 - (P - P_m) / P_m]$$

Where:

W1 = **80** for financial values up to R 50, 000, 000.00 (inclusive of VAT) of all responsive tenders received:

P<sub>m</sub> = the value of the comparative offer of the most favourable tender;

P = the value of the comparative offer under consideration;

Ray Nkonyeni Municipality subscribes to the preferential Procurement Policy Framework Act 2000 (Act No 5 of 2000) and its associated Preferential Procurement Regulations.

In the application of the 90/10 preference point system, if all bids received are below R 50, 000, 000.00, the bid must be cancelled. If one or more of the acceptable bid(s) received are above R 50, 000, 000.00 threshold, all bids received must be evaluated on the 90/10 preference point system.

#### c) Preferences

Up to **20** points (for financial values up to R 50, 000, 000.00), will be awarded to bidders who complete the preference schedule and who are found to be eligible for the preference claimed.

#### **Scoring of points for B-BBBEE status level Contributor**

Points must be awarded to a bidder for attaining the B-BBBEE status level contribution in accordance with the table below:

<b>B-BBBEE Status Level of Contributor</b>	<b>Number of points (80/20 system)</b>
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2

Non-compliant contributor	0
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## **SCOPE OF WORK / SPECIFICATIONS**

### **1. TENDERER'S RESPONSE**

This Section sets out the short-term insurance services that the Municipality requires to be supplied or provided with, by the suitably qualified and registered service provider (Tenderer). The Tenderer is requested to supply full details of the services required. The Tenderer must supply/ provide the following:

- (a) The time frames required for the full implementation of the required short-term insurance services,
- (b) Any additional computer hardware or software, if any, (and specify who bears the associated cost) that the municipality must supply for the implementation,
- (c) Administration of all aspects of the insurance portfolio,
- (d) Perform compulsory detailed risk assessment of the municipality and placement of the insurance portfolio at the underwriters, and the cost associated with the risk assessment will be part of the contract.
- (e) Inspect the current insurance cover and identify assets that are underinsured and correct them accordingly.
- (f) The schedule specifying assets that will not be covered/ exclusions.
- (g) Maintain insurance portfolio due to additions, disposals, or any other relevant changes; and
- (h) Training requirements, if any, (and specify who bears the associated cost) for the Municipality's personnel in terms of policy and procedural manual.

### **2. EXECUTIVE SUMMARY OF THE MUNICIPALITY**

Ray Nkonyeni Local Municipality is a category B municipality. The municipality wishes to appoint a service provider registered with the Financial Services Board and must comply with the Short-Term Insurance Act.

### **3. ADDITIONAL INFORMATION TO BE SUPPLIED BY THE TENDERER**

It is imperative that the Tenderer must demonstrate their competence to provide short-term insurance requirements for the Municipality.

The Tenderer must submit a business profile clearly outlining the following;

- Detailed exposition of the relevant experience
- Full information of services that will be provided
- Risk management and loss control strategies
- List of current clients and reference letters
- Experience of key members (CVs)
- Skills transfer (confirmation letters from clients)
- Detailed claims procedures and turn-around times (clearly stipulate listing of required documents for processing of claims per insurance section/category)
- Proof of claims settled that is above R 3 million

- Proof of being appointed in the past (3) three years as a short-term insurance broker on an insurance portfolio in excess of R1 billion assets
- The tenderer must provide proof of having local government experience

#### **4. PREMIUM**

The Tenderer is required to do the following relating to the premium:

- Negotiate with the insurance Underwriters on suitable insurance terms and premiums based on Ray Nkonyeni Municipality's existing insurance cover and the updated claim experience of Ray Nkonyeni Municipality.
- Provide a detailed premium and tariff calculation document for each category description completed.
- Reconciliation of premium payments and refunds in accordance with accounts and statements.

#### **5. EXCESS**

The Tenderer is required to provide a fixed range excess structure for a period of three (3) years. The tenderer must also not have separate excesses for items falling within one claim.

#### **6. CLAIMS ADMINISTRATION**

The Tenderer will be required to do the following in terms of the claims:

- Administer all claims (whether they fall within the inner excess or not) received by this including liaising with the third party on Ray Nkonyeni Municipality's behalf.
- Stipulate in detail all the requirements (in different sections of the insurance policy) that will be required in the event of a claim.
- Meet with Ray Nkonyeni Municipality's officials individually or in groups to discuss and provide advice on insurance claims.
- Submit monthly update reports and statistics on all Ray Nkonyeni Municipality claims made per month no later than the 10th working day of the following month to the insurance section to be discussed in the monthly meetings.
- Provide a quarterly report on the reasons for the delay on all claims that are outstanding for more than 6 months.
- The successful bidder should play an active role in ensuring that claims are finalised as quickly as possible so that Council's service delivery does not get affected for a long period.

#### **7. CLAIMS SETTLEMENT**

The successful bidder will be required to replace lost/damaged items for the following insurance sections:

- Office content
- Business all risk
- Electronic equipment

Monetary settlements will not be accepted for these items

#### **8. SCHEDULING AND COORDINATING OF CLAIMS MEETINGS**

The Tenderer will be required to schedule and co-ordinate monthly claims meetings, and ad-hoc meetings as and when required by the Municipality. The purpose of the meeting will be to discuss all claims as per the applicable insurance policies reported by the Municipality to the insurance broker and to monitor the progress of all insurance claims are reported to and authorised by the insurance broker.

#### **9. COUTERSY VEHICLES AND ROADSIDE ASSISTANCE**

- a) The successful bidder will be required to immediately supply a courtesy vehicle in the event of damages to any of the vehicles allocated to the following persons/officials:

- ✓ The Mayor
- ✓ The Deputy Mayor
- ✓ The Speaker

The courtesy vehicle must be similar to the vehicle allocated to the person/official at the time of the incident.

- b) The successful bidder will also be required to provide roadside assistance.

#### **10. SHORTFALL COVER FOR VEHICLES**

The successful bidder will be required to provide the shortfall cover for all the financed vehicles.

## **GENERAL CONDITIONS OF CONTRACT TABLE OF CLAUSES**

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information inspection
6. Patent Rights
7. Performance security
8. Inspections, tests and analyses
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental Services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Variation orders
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Anti-dumping and countervailing duties and rights
25. Force Majeure
26. Termination for insolvency
27. Settlement of Disputes
28. Limitation of Liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. Transfer of contracts
34. Amendments of contracts
35. Prohibition of restrictive practices

## **General Conditions of Contract**

- 1. Definitions**
- 1.1 The following terms shall be interpreted as indicated:
- 1.2 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
- 1.3 “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.
- 1.4 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- 1.5 “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.
- 1.6 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- 1.7 “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.
- 1.8. “Database application form” means the application form required by the Ray Nkonyeni Municipality to be filled in by the successful Bidder, following the award of the contract, for inclusion on the RNM database before payment is made.
- 1.9 “Day” means calendar day.
- 1.10 “Delivery” means delivery in compliance of the conditions of the contract or order.
- 1.11 “Delivery ex stock” means immediate delivery directly from stock actually on hand.
- 1.12 “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.
- 1.13 "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.
- 1.14 "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.

- 1.15 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of 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.
- 1.16 "GCC" means the General Conditions of Contract.
- 1.17 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.18 "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.
- 1.19 "Local content" means that portion of the bidding price, which is not included in the imported content provided that local manufacture does take place.
- 1.20 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.21 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.22 "Project site," where applicable, means the place indicated in bidding documents.
- 1.23 "Purchaser" means the organization purchasing the goods.
- 1.24 "Republic" means the Republic of South Africa.
- 1.25 "SCC" means the Special Conditions of Contract.
- 1.26 "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.



- 1.27 “Supplier” means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.
- 1.28 “Tort” means in breach of contract.
- 1.29 “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.
- 1.30 “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 nonrefundable 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 specifications, 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 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 analyzed 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.
- 16.5. Payment will only be made if the supplier has filled in and submitted the necessary database application form to the satisfaction of the Chief Financial Officer.

**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 sub-contracts 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 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 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:
- (a) the name and address of the supplier and / or person restricted by the purchaser;
  - (b) the date of commencement of the restriction;

- (c) the period of restriction; and
- (d) 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**

24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of 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 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.

- |                                    |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------------|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>27. Settlement of disputes</b>  | 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, <ul style="list-style-type: none"><li>(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and</li><li>(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.</li></ul>                                                                                                                                                                                                                                                                                                                                                                               |
| <b>28. Limitation of liability</b> | 28.1 | Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6; <ul style="list-style-type: none"><li>(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</li><li>(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.</li></ul> |
| <b>29. Governing language</b>      | 29.1 | The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>30. Applicable law</b>          | 30.1 | The contract shall be interpreted in accordance with South African laws, unless otherwise specified.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>31. Notices</b>                 | 31.1 | Every written acceptance of a bid shall be posted to the Supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice.                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

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

**No contract will be awarded to a person who has failed to submit a copy of Tax Compliance Certificate with a PIN from the South African Revenue Service ("SARS") certifying that the taxes of that person to be in order or that suitable arrangements have been made with SARS.**

I certify that I have the appropriate authority to furnish the above-mentioned information and that the above information is correct at the time of completion.

Name:	Signature:
Designation:	Date:

\*\*\*\*\*

**MBD 3.2**  
**PRICING SCHEDULE – NON-FIRM PRICES**  
**(PURCHASES)**

**NOTE: PRICE ADJUSTMENTS WILL BE ALLOWED AT THE PERIODS AND TIMES SPECIFIED IN THE BIDDING DOCUMENTS.**

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

Name of Bidder.....	Bid number.....
Closing Time .....	Closing Date .....

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

<b>SCHEDULE OF SUMS INSURES</b>
---------------------------------

COMBINED SECTION					
No	Details	Sum Insured/ Limit of Indemnity (R's)	Premium (Vat inclusive) Year 1	Premium (Vat inclusive) Year 2	Premium (Vat inclusive) Year 3
1	Buildings	1 294 562 078.16			
2	Sub-stations, mini sub-stations, transformers, etc	203 463 436.60			
3	Sports and recreation facilities	63 947 343.17			
4	Beach Assets	106 525 724			
5	Artwork	2 365 027.13			
6	Non-Standard - Thatch	1 358 918.60			
7	Wendy Houses	128 411.40			
8	Airconditioner	298 841.26			
<b>Additional perils</b>					
9	Motor vehicles whilst parked	1 000 000.00			

Extensions					
10	Reasonable precautions	10 000.00			
11	Theft of immovable Property	1 000 000.00			
12	Malicious Damage caused by thieves	50 000.00			
		1 674 709 780.32			

OFFICE CONTENTS SECTION					
No	Details	Sum Insured/ Limit of Indemnity (R's)	Premium (Vat inclusive) Year 1	Premium (Vat inclusive) Year 2	Premium (Vat inclusive) Year 3
<b>Property Insured</b>					
1	Theft or any attempt thereat	40 270 562.03			
2	All other perils	10 064 402.25			
3	Loss of Rent - 25 %	10 067 640.51			
4	Loss of Documents	50 000.00			
5	Legal Liability Documents	100 000.00			
<b>Extensions</b>					
6	Locks and keys	7 500.00			
7	Reasonable Precautions	10 000.00			
		60 570 104.79			

BUSINESS ALL RISKS SECTION					
No	Details	Sum Insured/ Limit of Indemnity (R's)	Premium (Vat inclusive) Year 1	Premium (Vat inclusive) Year 2	Premium (Vat inclusive) Year 3
1	Property of the Insured or for which they are responsible whilst anywhere in the world (as per the schedule), excluding laptops and cellphones.	2 018 555.52			
2	Laptops and portable computer equipment	15 654 010.18			
<b>Additional perils</b>					
3	Regalia	60 000.00			

4	Firearms	381 779.00			
5	Tablet	258 443.80			
6	Camera	56 000.00			
<b>Extensions</b>					
7	Increase in cost of working	100 000.00			
8	Locks and keys	10 000.00			
		18 538 788.50			

<b>THEFT SECTION</b>					
<b>No</b>	<b>Details</b>	<b>Sum Insured/ Limit of Indemnity (R's)</b>	<b>Premium (Vat inclusive) Year 1</b>	<b>Premium (Vat inclusive) Year 2</b>	<b>Premium (Vat inclusive) Year 3</b>
1	Contents of the property of the property of the Insuredor for which they are responsible, whilst contained in any building used by the Insured.  First Loss Limit	400 000.00			
<b>Extensions</b>					
10	Malicious Damage	50 000.00			
11	Reasonable Precautions	10 000.00			
12	Locks and keys	5 000.00			
		465 000.00			

<b>GLASS SECTION</b>					
<b>No</b>	<b>Details</b>	<b>Sum Insured/ Limit of Indemnity (R's)</b>	<b>Premium (Vat inclusive) Year 1</b>	<b>Premium (Vat inclusive) Year 2</b>	<b>Premium (Vat inclusive) Year 3</b>
1	Internal and external glass including mirrors, sign writing and treatment thereon, being the property of the Insured or for which they are responsible	65 000.00			
		65 000.00			

MONEY SECTION					
No	Details	Sum Insured/ Limit of Indemnity (R's)	Premium (Vat inclusive) Year 1	Premium (Vat inclusive) Year 2	Premium (Vat inclusive) Year 3
1	Money not contained in a locked safe or strongroom: (i) In the custody of an authorised employee, Council Member or Principal of the Insured while away from the insured premises on a business trip anywhere in the world.	10 000.00			
2	While on the insured premises outside the hours during which the commercial operations of the insured are conducted	10 000.00			
3	In respect of loss of crossed cheques or crossed money orders or crossed postal orders	500 000.00			
4	In respect of any other loss of or damage to money: 1. Specific periods as follows: Seasonal (period to be specified) 2. At any other time	500 000.00			
5	Major Limit	100 000.00			
6	In respect of any loss of or damage to receptacles and clothing (as defined) including firearms as a result of theft of money or any attempt thereat.	50 000.00			
<b>Extensions</b>					
7	Locks and keys	7 500.00			
Personal Accident (assault)					
8	Capital sum	10 000.00			
9	Weekly sum	1 000.00			
10	Medical expenses	5 000.00			
11	Reasonable precautions	10 000.00			
		1 203 500.00			

FIDELITY SECTION					
No	Details	Sum Insured/ Limit of Indemnity (R's)	Premium (Vat inclusive) Year 1	Premium (Vat inclusive) Year 2	Premium (Vat inclusive) Year 3
1	Limit any one Loss Insured Persons: All Councillors and employees of the Insured	500 000.00			
<b>Extensions</b>					
2	Cost of recovery (where loss exceeds sum insured)	10 000.00			
		510 000.00			

MOTOR FLEET SECTION						
No	Details	Limit	Estimated Number	Premium (Vat inclusive) Year 1	Premium (Vat inclusive) Year 2	Premium (Vat inclusive) Year 3
<b>Motor Vehicles Within R 500 000 in value</b>						
1	Private Motor Cars up to 9 Seats	500 000.00	74			
2	Commercial Vehicles LDVS	500 000.00	104			
3	Commercial vehicles up to 5 - 7 Tons Trucks	500 000.00	26			
4	Commercial vehicles up to 5 - 7 Tons	500 000.00	3			
5	Tractor	500 000.00	11			
6	Trailers	500 000.00	68			
7	Special Type Vehicles	500 000.00	21			



MOTOR FLEET SECTION					
No	Details	Sum Insured/ Limit of Indemnity (R's)	Premium (Vat inclusive) Year 1	Premium (Vat inclusive) Year 2	Premium (Vat inclusive) Year 3
<b>Motor Vehicles exceeding R 500 000 in value</b>					
1	Mercedes Atego Engine 2	3 593 501.00			
2	Mercedes Atego Engine 1	3 593 501.00			
3	Toyota Landcruiser - Fire Engine	1 504 500.00			
4	Toyota Landcruiser - Fire Engine	1 504 500.00			
5	Toyota Landcruiser - Fire Engine	1 504 500.00			
6	Toyota Landcruiser - Fire Engine	1 504 500.00			
7	Nissan UD 330 Refuse Compactor	1 941 744.49			
8	Nissan UD P9156 Refuse Compactor	2 214 463.74			
9	Nissan UD 390 WT Refuse Compactor	1 070 000.00			
10	Nissan T27 Refuse Compactor	1 913 350.00			
11	Nissan UD 390 WT Refuse Compactor	1 070 000.00			
12	Nissan UD 90 Refuse Compactor	1 124 836.00			
13	Isuzu NPR400 Crew AMT Cherrypicker	884 554.00			
14	Mitsubishi Grader G460	3 070 175.00			
15	Mitsubishi Grader MG431 with Spare wheel and tracker	2 080 500.00			
16	Mitsubishi Grader MG431 with Spare wheel and tracker	2 080 500.00			
17	Isuzu Tip Truck	1 115 637.60			
18	Nissan P9156 UD trucks	1 970 964.82			
19	Isuzu NPR400 Crew	884 554.00			
20	Isuzu NPR400 Crew AMT Cherrypicker	884 554.00			
21	Isuzu NPR400 Crew AMT	884 554.00			
22	Nissan Drop Side	1 008 430.00			
23	Man Fire Engine	625 500.00			
24	Man 9000-26/440 Fire Engine	570 000.00			
25	Man 26/440 Fire Engine	570 000.00			
26	Toyota Land Cruiser	989 561.34			
27	Toyota Land Cruiser	989 561.34			

28	Nissan A450 Refuse compactor	1 385 604.80			
29	Mercedes Benz -2628/45 Refuse Compactor	1 298 213.01			
30	Mercedes Benz Refuse Compactor	1 298 213.01			
31	Nissan UD80 T53 Refuse compactor	614 670.78			
32	Nissan UD85 Skip Truck	784 606.94			
33	Nissan UD 85 Skip Truck	815 048.50			
34	Nissan A520 Skip Truck	614 670.78			
35	Nissan UD80 T53 Refuse Compactor	701 491.20			
36	Nissan UD80 T53 Refuse Compactor	614 670.78			
37	Mercedes Benz Refuse Compactor	1 298 213.01			
38	Dezzi G80T Grader	808 134.00			
39	JCB TLB	735 300.00			
40	Mitsubishi Grader G460	1 559 926.62			
41	Bell Grader	1 162 800.00			
42	Mitsubishi Grader MG431 with Spare wheel and tracker	1 162 800.00			
43	JCB TLB	735 300.00			
44	Dezzi G80T Motor Grader	808 134.00			
45	Isuzu Freighter with hoist Cherry picker	816 661.00			
46	FAW 13-ton 6X4 Tipper Truck	786 486.00			
47	JCB 3DX Super Backhoe Loader	1 035 000.00			
48	Isuzu N series NPR 400 AMT crew cab	756 422.15			
49	Isuzu N series NPR 400 AMT crew cab	756 422.15			
50	Isuzu N series NPR 400 AMT crew cab	756 422.15			
51	Isuzu N series NPR 400 AMT crew cab	756 422.15			
52	Isuzu N Series NPR 400 AMT crew	756 422.15			
53	Isuzu N Series NPR 400 AMT crew	756 422.15			
54	Isuzu N Series NPR 400 AMT crew	756 422.15			
55	Isuzu N Series NPR 400 AMT crew	786 057.65			
56	Isuzu N Series NPR 400 AMT crew	786 057.65			
57	Isuzu N Series NPR 400 AMT crew	786 057.65			
58	Isuzu N Series NPR 400 AMT crew	786 057.65			
59	Isuzu N Series NPR 400 AMT crew	786 057.65			
60	Isuzu N Series NPR 400 AMT crew	786 057.65			

61	Isuzu N Series NPR 400 AMT crew	786 057.65			
62	Isuzu N Series NPR 400 AMT crew	786 057.65			
63	Isuzu N Series NPR 400 AMT crew	786 057.65			
64	Isuzu N Series NPR 400 AMT crew	786 057.65			
65	JCB 3DX backhoe loader JCB 3DX backhoe loader	907 350.00			
66	JCB 3DX backhoe loader JCB 3DX backhoe loader	907 350.00			
67	Isuzu N Seies NPR400 AMT Crew	796 932.78			
68	Isuzu N Seies NPR400 AMT Crew	796 932.78			
69	Isuzu N Seies NPR400 AMT Crew	796 932.78			
70	Isuzu N Seies NPR400 AMT Crew	796 932.78			
71	Isuzu N Seies NPR400 AMT Crew	796 932.78			
72	Isuzu N Seies NPR400 AMT Crew	750 127.78			
73	Isuzu N Seies NPR400 AMT Crew	750 127.78			
74	UD Truck Croner LKE 210	1 487 053.18			
75	UD Truck Quester CWE330	2 350 504.06			
76	UD Truck Quester CWE330	2 350 504.06			
77	Mitsubishi fuso 3-ton Tipper/Canopy	504 498.00			
78	Mitsubishi fuso 3-ton Tipper/Canopy	504 498.00			
79	Mitsubishi fuso 3-ton Tipper/Canopy	504 498.00			
80	Mitsubishi fuso 3-ton Tipper/Canopy	504 498.00			
81	Mitsubishi fuso 3-ton Tipper/Canopy	504 498.00			
82	Mitsubishi fuso 3-ton Tipper/Canopy	504 498.00			
83	Mitsubishi fuso 3-ton Tipper/Canopy	504 498.00			
84	UD Croner Truck	1 262 373.96			
85	UD Truck Croner	1 558 806.28			
86	140k Motor Grader 140k Motor Grader	5 652 761.37			
87	Ford Everest 2.0D XLT A/T	688 001.30			
88	VW Caddy 2.0 TDI	562 842.01			
89	Ford Everest 2.0D XLT A/T	688 001.30			
<b>Extensions applicable Included</b>					
90	Medical expenses	5 000.00			
91	Conveyance of explosives	-			
92	Loss of keys Yes	5 000.00			

93	Theft or attempted theft of radios / sound equipment	5 000.00			
94	Theft or attempted theft of telephones (excluding cellphones) Yes	5 000.00			
95	Car Hire Costs	-			
96	Wreckage removal	20 000.00			
97	Fire Extinguishing Expenses	20 000.00			
98	Riot and strike (other than RSA and Namibia)	-			
		<b>100 831 871.29</b>			

ACCIDENTAL DAMAGE SECTION					
NO	Details	Sum Insured/ Limit of Indemnity (R's)	Premium (Vat inclusive)	Premium (Vat inclusive)	Premium (Vat inclusive)
			Year 1	Year 2	Year 3
1	Property insured under the Combined and Office Contents Sections of this schedule Limit of Indemnity	200 000.00			
<b>Extensions</b>					
2	First Loss Average	-			
3	Excluded property (in addition to the property excluded in the policy)	-			
		200 000			

GOODS IN TRANSIT SECTION					
NO	Details	Sum Insured/ Limit of Indemnity (R's)	Premium (Vat inclusive)	Premium (Vat inclusive)	Premium (Vat inclusive)
			Year 1	Year 2	Year 3
1	All goods consigned by or to the Insured (including ropes, tarpaulins and packing materials in connection with the transit), pertaining to the business whether conveyed by means of air, rail or road. Maximum Limit any one loss	75 000.00			
<b>Extensions/Limitations</b>					
2	Removal of debris	20 000.00			
3	Fire, explosion, collision, derailment and overturning limitation	-			
4	Riot and strike (other than RSA and Namibia)	-			
5	Fire extinguishing charges	20 000.00			
		115 000.00			

STATED BENEFITS SECTION					
NO.	Details	Sum Insured/ Limit of Indemnity (R's)	Premium (Vat inclusive)	Premium (Vat inclusive)	Premium (Vat inclusive)
			Year 1	Year 2	Year 3
Persons Insured					
1	Basis of Cover: Blanket Cover Type: 24 Hours				
	Total Annual Earnings	26 025 576.00			
Circumstances					
2	Death – 3 times annual earnings				
3	Permanent disability – such percentage of 3 times annual earnings as is specified for the particular disability				

4	Temporary total disability – 100 % of average weekly earnings for a period longer than 1 weeks but not longer than 104 Weeks				
5	Medical expenses	20 000.00			
6	Maximum Limit and one event (accumulation limit)	10 000 000.00			
7	Maximum Limit and one Insured Person	2 000 000.00			
8	Basis of Cover: Blanket Cover Type: 24 Hours				
	Total Annual Earnings	237 179 826.00			
<b>Circumstances</b>					
9	Death – 3 times annual earnings				
10	Permanent disability – such percentage of 3 times annual earnings as is specified for the particular disability				
11	Temporary total disability – 100 % of average weekly earnings for a period longer than 1 weeks but not longer than 104 Weeks				
12	Medical expenses	20 000.00			
13	Maximum Limit and one event (accumulation limit)	10 000 000.00			
14	Maximum Limit and one Insured Person	2 000 000.00			
15	Additional Death Benefit	10 000.00			
16	Repatriation Costs	10 000.00			
17	Mobility	10 000.00			
18	Relocation 24 Hours	10 000.00			
		287 285 402.00			

ELECTRONIC EQUIPMENT SECTION					
NO.	Details	Sum Insured/ Limit of Indemnity (R's)	Premium (Vat inclusive)	Premium (Vat inclusive)	Premium (Vat inclusive)
			Year 1	Year 2	Year 3
1	Hardware / Accessories / Software Specified Equipment	17 002 960.00			
2	Laptops	15 654 010.18			
<b>Sub-Section B: Business Interruption</b>					
3	Prevention of access Increase in cost of working	100 000.00			
4	Reconstruction of data	100 000.00			
<b>Clauses and Extensions</b>					
5	Incompatibility Cover				
		32 856 970.18			

PUBLIC LIABILITY SECTION							
NO.	Details		Limit of Indemnity (R's)		Annual Premium (Vat Inclusive ) (R's)	Annual Premium Vat Included (R's)	Annual Premium Vat Inclusive(R's)
					Year 1	Year 2	Year 3
			Any one event or series of events with one original cause or source	Any one period of insurance			
1	General and Tenants		2 000 000.00	Unlimited			
2	Spread of Fire		25 000 000.00	1 000 000.00			
Additional Contingencies and Extensions			Included				
3	Wrongful arrest and defamation	Yes	250 000.00	250 000.00			
4	Errors and Ommissions	Yes	250 000.00	250 000.00			

5	Products Liability and Defective Workmanship	Yes	250 000.00	250 000.00			
6	Comprehensive insurance on pedal cycles	No	Market value	Market value			
7	Vibration, removal and weakening of support	No	NIL	NIL			
8	Legal Defence Costs	Yes	250 000.00	250 000.00			
9	Professional Liability in respect of Medical						
10	Practitioners or other Medical Officers	Yes	250 000.00	250 000.00			
11	Claims preparation costs	Yes	100 000.00	100 000.00			
			28 350 000.00	2 350 000.00			

EMPLOYERS LIABILITY SECTION						
NO.	Details	Limit of Indemnity (R's)		Annual Premium Vat Included (R's)	Annual Premium Vat Included (R's)	Annual Premium Vat Included (R's)
				Year 1	Year 2	Year 3
		Any one event or series of events with one original cause or source	Any one period of insurance			
1	Limit of Indemnity	100 000 000.00	Unlimited			
<b>Additional Contingencies and Extensions Included</b>						
2	Extended Reporting	-				
		100 000 000.00				

MOTOR FLEET LIABILITIES					
NO	Details	Sum Insured/Limit of Indemnity  (R's)	Annual Premium Vat Included (R's)	Annual Premium Vat Included (R's)	Annual Premium Vat Included (R's)
			Year 1	Year 2	Year 3
Sub Section B: Liability to Third Parties					
1	(a) Passenger Liability: Fare Paying Passengers	5 000 000.00			



2	(b) Passenger Liability - Other	5 000 000.00			
3	Any other event and the aggregate of a and b	5 000 000.00			
<b>Extensions applicable</b>					
4	Contingent Liability	-			
5	Unauthorised Passenger Liability	-			
6	Conveyance of explosives	-			
		15 000 000.00			

<b>MUNCIPAL POLICE LIABILITY SECTION</b>						
<b>NO.</b>	<b>Details</b>	<b>Limit of Indemnity (R's)</b>		<b>Annual Premium (R's)</b>	<b>Annual Premium (R's)</b>	<b>Annual Premium (R's)</b>
				<b>Year 1</b>	<b>Year 2</b>	<b>Year3</b>
		Any one event or series of events with one original cause or source	Any one period of insurance			
1	Limit of Indemnity	2 000 000.00	Unlimited			
<b>Additional Contingencies and Extensions Included</b>						
Extended Reporting -		-	-			
2	Wrongful arrest and defamation Yes	300 000.00	350 000			
3	Liability arising out of use of firearms Yes	300 000.00	350 000			
		2 600 000	700 000			

EXCESS LAYER LIABILITY SECTION						
NO.	Details	Limit of Indemnity (R's)		Annual Premium Inclusive of Vat (R's)	Annual Premium Inclusive of Vat (R's)	Annual Premium Inclusive of Vat (R's)
				Year 1	Year 2	Year 3
		Any one event or series of events with one original cause or source	Any one period of insurance			
1	Property Damage and Personal Injury	98 000 000.00	Unlimited			
<b>Additional Contingencies and Extensions Included</b>			Unlimited			
2	Advertising Liability	-	-			
3	Use of firearms	-	-			
4	Municipal Police Liability	-	-			
5	Wrongful Arrest and Defamation	2 000 000.00	2 000 000.00			
6	Errors and Omissions	2 000 000.00	2 000 000.00			
7	Products Liability and Defective Workmanship	2 000 000.00	2 000 000.00			
8	Medical Malpractice	2 000 000.00	2 000 000.00			
9	Spread of Fire	24 000 000.00	24 000 000.00			
10	Motor Liability	-	-			
11	Employers Liability No	-	-			
		<b>130 000 000.00</b>	<b>32 000 000.00</b>			

	Annual Premium (R's)	Annual Premium (R's)	Annual Premium (R's)
	Year 1	Year 2	Year3
<b>Total Annual Premium</b>			

This quote/tender is valid for a period of 120 Days.

. These prices quoted are firm and escalation will be stated separately.

. Escalation will be made annually based on the average CPI each completed year of the tender awarded

HAS A TAX COMPLIANCE PIN SHEET BEEN ATTACHED? YES/NO

I/We certify that the abovementioned information is correct and that we have due knowledge of the requirements of this Bid and have examined the document, Form of Tender, Specifications and requirements. We further agree that this Bid and the acceptance thereof by Council shall constitute a legal binding contract

Dated at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Authorised Signature (Tenderer)

\_\_\_\_\_  
Print Name (Tenderer)

As Witnesses:

1) \_\_\_\_\_

2) \_\_\_\_\_

For the Ray Nkonyeni Municipality:

\_\_\_\_\_  
S M MBILI  
Municipal Manager

As Witnesses:

1) \_\_\_\_\_

2) \_\_\_\_\_

\_\_\_\_\_  
SUPPLIER'S SIGNATURE

\_\_\_\_\_  
DATE

- Required by: .....

- At: .....

- Brand and Model .....

- Country of Origin .....

- Does offer comply with specification?   YES/NO

- If not to specification, indicate deviation(s) .....

- Period required for delivery .....

  Delivery: Firm/not firm

- Delivery basis (all delivery costs must be included in the bid price) .....

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

\*\*\* “ all applicable taxes “ includes value added tax, pay as you earn(PAYE), income tax , unemployment insurance fund (UIF) and skills development levies.

**\*Delete if not applicable**

## PRICE ADJUSTMENTS

### A NON-FIRM PRICES SUBJECT TO ESCALATION

1. IN CASES OF PERIOD CONTRACTS, NON FIRM PRICES WILL BE ADJUSTED (LOADED) WITH THE ASSESSED CONTRACT PRICE ADJUSTMENTS IMPLICIT IN NON FIRM PRICES WHEN CALCULATING THE COMPARATIVE PRICES
2. IN THIS CATEGORY PRICE ESCALATIONS WILL ONLY BE CONSIDERED IN TERMS OF THE FOLLOWING FORMULA:

$$Pa = (1 - V)Pt \left( D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + D4 \frac{R4t}{R4o} \right) + VPt$$

Where:

Pa	=	The new escalated price to be calculated.
(1-V) Pt	=	85% of the original bid price. <b>Note that Pt must always be the original bid price and not an escalated price.</b>
D1, D2..	=	Each factor of the bid price eg. labour, transport, clothing, footwear, etc. The total of the various factors D1,D2...etc. must add up to 100%.
R1t, R2t.....	=	Index figure obtained from new index (depends on the number of factors used).
R1o, R2o	=	Index figure at time of bidding.
VPt	=	15% of the original bid price. This portion of the bid price remains firm i.e. it is not subject to any price escalations.

3. The following index/indices must be used to calculate your bid price:

Index..... Dated.....	Index..... Dated.....	Index..... Dated.....
Index..... Dated.....	Index..... Dated.....	Index..... Dated.....

4. FURNISH A BREAKDOWN OF YOUR PRICE IN TERMS OF ABOVE-MENTIONED FORMULA. THE TOTAL OF THE VARIOUS FACTORS MUST ADD UP TO 100%.

FACTOR (D1, D2 etc. eg. Labour, transport etc.)	PERCENTAGE OF BID PRICE

**B PRICES SUBJECT TO RATE OF EXCHANGE VARIATIONS**

1. Please furnish full particulars of your financial institution, state the currencies used in the conversion of the prices of the items to South African currency, which portion of the price is subject to rate of exchange variations and the amounts remitted abroad.

PARTICULARS OF FINANCIAL INSTITUTION	ITEM NO	PRICE	CURRENCY	RATE	PORTION OF PRICE SUBJECT TO ROE	AMOUNT IN FOREIGN CURRENCY REMITTED ABROAD
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		

2. Adjustments for rate of exchange variations during the contract period will be calculated by using the average monthly exchange rates as issued by your commercial bank for the periods indicated hereunder: (Proof from bank required)

AVERAGE MONTHLY EXCHANGE RATES FOR THE PERIOD:	DATE DOCUMENTATION MUST BE SUBMITTED TO THIS OFFICE	DATE FROM WHICH NEW CALCULATED PRICES WILL BECOME EFFECTIVE	DATE UNTIL WHICH NEW CALCULATED PRICE WILL BE EFFECTIVE

## DECLARATION OF INTEREST

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

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

3.2 Identity Number: .....

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

3.4 Company Registration Number: .....

3.5 Tax Reference Number:.....

3.6 VAT Registration Number: .....

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

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

3.8.1 If yes, furnish particulars. ....

.....

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

- (a) a member of –
  - (i) any municipal council;
  - (ii) any provincial legislature; or
  - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature.

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

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

3.9.1 If yes, furnish particulars.....

.....

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

3.10.1 If yes, furnish particulars.

.....

.....

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

3.11.1 If yes, furnish particulars

.....

.....

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

3.12.1 If yes, furnish particulars.

.....

.....

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

3.13.1 If yes, furnish particulars.

.....

.....

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

3.14.1 If yes, furnish particulars:

.....

.....



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

Full Name	Identity Number	State Employee Number

### CERTIFICATION

I, \_\_\_\_\_ THE UNDERSIGNED CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS CORRECT.

ACCEPT THAT THE COUNCIL MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....  
**Signature**

.....  
**Date**

.....  
**Capacity**

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

**CONTRACT FORM – PAST EXPERIENCE**

Bidders must furnish hereunder details of similar works / service, which they have satisfactorily completed in the past. The information shall include a description of the works, the contract value and the name of the employer.

EMPLOYER	NATURE OF WORK	VALUE OF WORK	DURATION AND COMPLETION DATE	EMPLOYER CONTACT NO

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE 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 ...80/20 preference point system shall be applicable; or
- b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (*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	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
<b>Total points for Price and B-BBEE must not exceed</b>	<b>100</b>

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:

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

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

A bid will not be disqualified from the bidding process if the bidder does not submit a certificate substantiating the B-BBEE status level of contribution or is a non-compliant contributor. Such a bidder will score zero (0) out of a maximum of 20 points respectively for B-BBEE.

#### 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		NO	
-----	--	----	--

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		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
OR		
Any EME		
Any QSE		

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

8.8 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 Bid 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	<p>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?</p> <p>(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).</p> <p><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></p>	<p>Yes</p> <input type="checkbox"/>	<p>No</p> <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>Is the bidder or any of its directors listed on the Register for Bid Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?</p> <p><b>The Register for Bid 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></p>	<p>Yes</p> <input type="checkbox"/>	<p>No</p> <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 (MBD9) 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.
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**

<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.