

DANNHAUSER LOCAL MUNICIPALITY



DEPARTMENT: FINANCE

TENDER NUMBER: 19/08/2021

PROVISION OF SHORT-TERM INSURANCE SERVICES FOR A PERIOD OF 36 MONTHS

CLOSING DATE: 30 SEPTEMBER 2021	TIME:12H00
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NAME OF BIDDER :

ADDRESS :

.....

.....

.....

CONTACT NUMBER :

FAX NUMBER :

TOTAL BID PRICE (INCL.VAT):



MBD 1

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DANNHAUSER LOCAL MUNICIPALITY					
BID NUMBER:	19/08/2021	CLOSING DATE:	30/09/2021	CLOSING TIME:	12:00
DESCRIPTION	PROVISION OF SHORT-TERM INSURANCE SERVICES FOR A PERIOD OF 36 MONTHS				
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 THE RECEPTION

8 Church Street
Dannhauser
3080

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	SCM		DEPARTMENT	Finance	
CONTACT PERSON	Thandeka Koza		CONTACT PERSON	Mrs Danisile Mohapi	
TELEPHONE NUMBER	034 621 2666		TELEPHONE NUMBER	034 621 2666	
FACSIMILE NUMBER	034 621 2342		FACSIMILE NUMBER	034 621 3114	
E-MAIL ADDRESS	thandekak@dannhauser.gov.za		E-MAIL ADDRESS	danisilem@dannhauser.gov.za	

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

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

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration.

The bid box is opened from 07h30 to 16h00 Monday to Friday.

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

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:

- Stage 1 - Basic requirements with returnable documents
- Stage 2 – Functionality

Criteria	Max points	Verification method
<p>Profile must at least include: A detailed schedule of relevant experience (including the start & end date of contract) =20 points <i>1 - 5 years =10 points</i> <i>6 – 10 years =15 points</i> <i>above 10 years' experience =20 points</i></p> <p>Reference letters from Municipalities which are clients of the bidder =20 points <i>1 - 5 municipal clients =10 point</i> <i>6 -10 municipal clients =15 points</i> <i>above 10 municipal clients =20 points</i></p> <p>Registered as an authorised financial service provider =10 points</p>	50	<p>Attach a detailed schedule</p> <p>Attach reference letters from municipalities</p> <p>Attach proof of registration as an authorised financial service</p>
<p>Ability of the bidder's infrastructure to handle and settle claims e.g. computer systems, personnel, network offices etc. <i>Resources – details of full-time employees being account directors, technicians, broking and other staff based in South Africa, who may be utilized on this account, including their certified qualifications =25 points</i></p> <p><i>Full time employees allocated to Dannhauser qualifications and experience</i> <i>1 - 5 years' experience & relevant qualifications =10 points</i> <i>6 - 10 years' experience & relevant qualifications =15 points</i> <i>above 10 years' experience & relevant qualification =25 points</i></p>	25	<p>Provide details of full-time employees being account directors, technicians, broking and other staff based in South Africa, who may be utilized on this account, including their certified qualifications</p>
<p>Legal Support <i>Details of support that will be given by the Insurance broker to the Municipality in respect of claims rejected by the Insurer and experience of the legal support team =25 points</i></p> <p><i>No CVs submitted / poor legal support - 0 points</i> <i>Average legal support - 15 points</i> <i>Good legal support - 25 points</i></p>	25	<p>Provide details of support that will be provided as well as CVs of the legal support team</p>
Total	100	

- Only bidders who score 75 points or more on functionality will be evaluated further and therefore eligible for the award.
- The evaluation for pricing will be performed on 80/20 principles as provided in Preferential Procurement Policy Framework Act (PPPFA). The Dannhauser Local Municipality's Supply Chain management policy Act

- Price 80points
- B-BBEE 20points
- 100points

NB

- All forms must be completed.
- If any of the forms, or portion of any form, is not relevant, please indicate it on the form by marking it N/A.



**INVITATION TO TENDER
TENDER NO: 19/08/2021**

DESCRIPTION: PROVISION OF SHORT-TERM INSURANCE FOR A PERIOD OF 36 MONTHS

Dannhauser Local Municipality hereby invites tenders from reputable short-term Insurance Intermediaries, who are members of the Financial Intermediaries Association (F.I.A.) and who comply with the Financial Advisory and Intermediary Services (F.A.I.S.) Act, for the Provision of Short-Term Insurance Services to the Municipality for a period of 36 months.

A NON-REFUNDABLE BID document fee of **R250.00** is payable in cash at the cashier's office during 07H30 to 15H00 with lunch interval of 13H00 to 13H30 or via EFT as follows (Bank – FNB, Account Holder - Dannhauser Municipality, Account No. 62369194106, Branch code - 270324 and Account type – Cheque) and will be available from **19/08/2021**.

This bid will be in terms of the 80/20 preferential point system as prescribed in the Preferential Procurement Policy Framework Act (No. 5 of 2000) (No 5 of 2000 Amended in 2017). Original Certified BBBEE certificate must be submitted.

Conditions

- Bidders must be registered on the Central Supplier Database and proof of registration must be submitted.
- Price(s) quoted must be valid for at least ninety (90) days after the bid closing date.
- Price(s) quoted must be firm and inclusive of VAT
- Bidders must include Tax Clearance Certificate (SARS Pin).
- JV Agreement (if applicable)
- This bid is subject to the general conditions of contract (GCC) and if applicable, any other specific conditions of contract.
- Bidders must complete all MBD Forms.
- Background and experience of the firm in a related field.
- Capacity to undertake work within stipulated time frame
- Detailed breakdown of fees and No hidden cost will be considered.
- Company profile with traceable references
- CIPC Registration certificate "CK"
- Current municipal rates account
- Bidders must be registered with the Financial Services Board (FSB), Financial Intermediaries Associations (FIA) and the Institute of Risk Management South Africa (IRMSA). (Proof of registration must be attached).
- No bids will be considered from persons in the service of the state.
- Bidders must fill in the tender register stating the date and time of when they submitted their tender, available at the tender box.
- The Municipality reserves the right to withdraw any invitation to tenders and/or to re-advertise or to reject any tender or to accept a part of it.
- The Municipality does not bind itself to accepting the lowest tender or award a contract to the bidder scoring the highest number of points

Criteria	Max points	Verification method
<p>Profile must at least include:</p> <p>A detailed schedule of relevant experience (including the start & end date of contract) =20 points</p> <p>1 - 5 years =10 points 6 – 10 years =15 points above 10 years' experience =20 points</p> <p>Reference letters from Municipalities which are clients of the bidder =20 points</p> <p>1 - 5 municipal clients =10 point 6 -10 municipal clients =15 points above 10 municipal clients =20 points</p> <p>Registered as an authorised financial service provider =10 points</p>	50	<p>Attach a detailed schedule</p> <p>Attach reference letters from municipalities</p> <p>Attach proof of registration as an authorised financial service</p>
<p>Ability of the bidder's infrastructure to handle and settle claims e.g. computer systems, personnel, network offices etc.</p> <p><i>Resources – details of full-time employees being account directors, technicians, broking and other staff based in South Africa, who may be utilized on this account, including their certified qualifications =25 points</i></p> <p><i>Full time employees allocated to Dannhauser qualifications and experience</i></p> <p>1 - 5 years' experience & relevant qualifications =10 points 6 - 10 years' experience & relevant qualifications =15 points above 10 years' experience & relevant qualification =25 points</p>	25	<p>Provide details of full-time employees being account directors, technicians, broking and other staff based in South Africa, who may be utilized on this account, including their certified qualifications</p>
<p>Legal Support</p> <p><i>Details of support that will be given by the Insurance broker to the Municipality in respect of claims rejected by the Insurer and experience of the legal support team =25 points</i></p> <p><i>No CVs submitted / poor legal support - 0 points</i> <i>Average legal support - 15 points</i> <i>Good legal support - 25 points</i></p>	25	<p>Provide details of support that will be provided as well as CVs of the legal support team</p>
Total	100	

EVALUATION CRITERIA

The minimum points that must be scored by a prospective bidder to proceed in the next stage (which is pricing 80/20) is **75 points**.

Tenders must be submitted in a sealed envelope; clearly marked "**TENDER NO: 19/08/2021 PROVISION OF SHORT-TERM INSURANCE FOR A PERIOD OF 36 MONTHS**" and must be deposited into the tender box situated at the reception area of Dannhauser Municipal offices. Tenders should be received no later than **12H00** on **30 September 2021**, where after bids will be opened in public. **Late, emailed or faxed bids will not be accepted.**

Technical enquiries may be directed to Mrs. DM Mohapi, e-mail: danisilem@dannhauser.gov.za at 08 Church Street or telephonically on 034- 621 2666 Ext. 0720/24 during working hours, between 07H30 and 16H00 with lunch interval from 13H00 to 13H30, Monday to Friday.

WB NKOSI
MUNICIPAL MANAGER

TENDER NUMBER: 19/08/2021



DANNHAUSER MUNICIPALITY

TERMS OF REFERENCE FOR PROVISION OF SHORT- TERM INSURANCE FOR A PERIOD OF 36 MONTHS

The following terms of reference are applicable and must be complied with:

Dannhauser Local Municipality hereby invites tenders from reputable short-term Insurance Intermediaries, who are members of the Financial Intermediaries Association (F.I.A.) and who comply with the Financial Advisory and Intermediary Services (F.A.I.S.) Act, for the Provision of Short-Term Insurance Services to the Municipality for a period of 36 months.

INTRODUCTION

1. Section 63 and 78 of the Municipal Finance Management Act, no 56 of 2003 requires the Municipality to take all reasonable steps to ensure that the assets and liabilities of the municipality are managed effectively and that assets are safeguarded and maintained to the extent necessary.
2. In order to comply with the above Act and to ensure that the Municipality's assets and liabilities are adequately insured, and any risk exposure is minimised, the Municipality needs to appoint a Service Provider to perform the following functions:
 - Assess the Municipality's insurance requirements as reflected in the tender specifications and negotiate with insurance Underwriters, present the underwriting terms to the Municipality for acceptance, and place the Municipality's insurance portfolio with the Underwriters for the period of 36 months.
 - Administer the Municipality's short- term insurance portfolio; and
 - Assess the Municipality's risk and insurance cover and provide advice on adequate cover to be taken out.

SCOPE OF WORK

1. The Bidder must provide insurance Underwriter premiums based on the schedule of Dannhauser Local Municipality's insurance portfolio. The insurance needs to cover all the assets and liabilities listed. The Bidder must provide a copy of the Underwriter quotations as proof of the cost of the Underwriter premium.
2. The various forms of insurance to be part of the contract are detailed in **Appendix A**.

SERVICES TO BE RENDERED

1. Assess the Municipality's insurance requirements as reflected in the tender specifications and negotiate with insurance underwriters, present the underwriting terms to the Municipality for acceptance, and place the Municipality's insurance portfolio with the Underwriters for the period of 36 months.
 2. The services to be rendered as a Short-term insurance broker over the period of 36 months should include general services related to the placement, maintenance and administration of the insurance portfolio. A service plan should be drawn up annually with inception of a new insurance period detailing the actions to be taken in accordance with the Annual Placement Programme as well as an Annual Maintenance Programme for claims administration. The Portfolio Services and Maintenance Plan should reflect at least the following general insurance actions:
-

- Assessing the municipality's requirements as reflected in the Tender specifications.
 - Reviewing existing cover.
 - Providing quotations on any additional insurance cover required by the Municipality and place the insurance cover with the Insurance Underwriters on the Municipality's instruction and provide the Municipality with written confirmation thereof together with details of the insurance cover placed
 - Meeting with the Municipality's officials whenever required by either party to discuss or provide advice on insurance cover. The service provider's staff members required at these meetings will depend on the technicality of the issues to be discussed.
- **Providing a fixed excess structure for the three (3) years tender period.**
- Reviewing cover, limits and sums insured.
 - Re-broking and market exercise to obtain renewal terms.
 - Providing two quotations for the renewal of the Insurance Tender from respective underwriters.
 - Renewal follow-up on alternative quotations.
 - Presenting renewal terms and recommended options.
 - Stating in writing all exclusions regarding the Insurance policy types and request the necessary disclosure required by the Insurer, from the Municipality for the insurance policy to be active.
- **Confirming placement and 100% cover - the broker must provide the complete Insurance Tender terms of reference to the underwriter/s, where after the underwriter/s must provide confirmation (e.g. confirmation document or signature on terms of reference document) that the specified assets and other risks will be insured as stated in these specifications;**
- Confirming credit rating of insurance and re-insurance markets.
 - Providing credit Rating of the Respective Underwriters.
 - Providing a detailed insurance (claims procedure) manual as well as full summary on cover, limits, conditions and exclusions.
 - Checking and providing issues on the policy as well as legal confirmation of statutory compliance.
 - Renewing the Municipality's insurance portfolio with the Insurance Underwriters, providing written confirmation thereof to the municipality, together with details of the insurance cover placed.
- **Administer the Municipality's short-term insurance portfolio**
- The appointed service provider (Insurance Broker) will be responsible for handling all aspects of claims as the Municipality will not communicate directly with any legal representatives of the service provider, third parties, or the underwriter/s where the insurance is placed. The appointed Service Provider will be required to perform at least the following:
 - Administering all claims reported to the Insurance Broker.
 - The Insurance Broker will acknowledge receipt of claims forms and confirm all claims in writing to the client in 7 (seven) days after receipt of the notification of the incident.
 - If the claim is accepted by the Insurer an Agreement of Loss will be generated and forwarded to the Insurance Section of the client within 7 (seven) days after receipt of all the applicable documents.
 - In cases where no Agreement of Loss is applicable, final invoice will be submitted by the Municipality within reasonable time.
 - Providing a MONTHLY report to the Municipality of all claims concluded (paid or rejected) and outstanding.
 - Assisting the Dannhauser Local Municipality with the administration of claims in order to finalise all outstanding claims i.e. obtaining of reports, invoices, quotation etc.;
 - Providing statistics on all claims / declarations made per month not later than the 2nd working day of the following month to the municipality.
 - Informing management on progress of all claims.
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- Administering all claims received by the Municipality from third parties claiming for personal injury or damage to their property. This includes liaising with the third parties on the Municipality's behalf.
 - Ensuring that Insurer responds within the prescribed period as stated in the Combined Summons and confirming in writing who (legal counsel) will defend the combined summonses on behalf of the Municipality.
 - Providing a motivation, based on substantive legal grounds, for all claims that are rejected by the Insurance Company. The Municipality reserves the right to reconsider any opinion received, to refer back to the Broker for another opinion or recommendation.
 - Scheduling and coordinating claims meetings.
 - The Insurance Broker will schedule and coordinate a quarterly claims meeting and meetings when required by the Dannhauser Local Municipality.
 - The purpose of the meeting will be to discuss all claims as per the applicable Insurance Policies reported by the Insurance Section to the Insurance Broker and to monitor the progress of all insurance claims reported to and authorized by the Insurance Broker.
 - Performing ad hoc adjustments and endorsements on sums insured and declarations to insure/re-insure.
 - Conducting day-to-day correspondence and queries.
 - Monitoring premium payment and refunds in accordance with account and statement; and
 - Providing ad hoc training where required on insurance-related matters.
 - All claims must be finalized by the service provider within 30 days after submission of claim by the municipality.
- **Assess the Municipality's risk and insurance cover and provide advice on adequate cover to be taken out**

The Insurance Broker must ensure that the insurable interests of the Municipality, its community and service providers are conveyed to Underwriters and are protected at all times, including:

- Ensuring that the Municipality has insurance cover as instructed by the Municipality.
- Advising the municipality on any potential risk not covered by the insurance cover, providing technical advice with regards to claims lodged against the Municipality, acting as representative for the Municipality with the Underwriter.
- Advising the Municipality of potential under insurance.
- Establishing uninsured risks and exposure on an annual basis to strengthen the internal self-insurance capacity.

SPECIFIC CONDITIONS

1. Bidders are required to include a written letter of intent (by both the Broker and the Underwriter/s) to abide by prescribed requirements to ensure Dannhauser Local Municipality's compliance with the Municipal Supply Chain Management (SCM) Regulations, in terms of section 168 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), and more specifically Dannhauser Local Municipality's SCM Policy and procedures regarding the obtaining of quotations on a rotation basis from accredited prospective providers of goods/services

Bidders that do not include the above letter will be deemed non-responsive.

2. The contract awarded to the successful bidder will be valid for a period of 36 months, during which insurers will undertake not to amend their terms.
 3. The Council reserves the rights to review the contract annually or at any stage in the event of material breach of the service level agreement
-

4. The annual premium payment for the first will be made on or before inception of cover upon receipt of the premium notification by Council. In the event of an increase or decrease in assets and insurable interests, the premium will be adjusted accordingly.
5. No tender will be considered unless accompanied by sufficient information to indicate that the amount tendered will include the total cost of the insurance premium.
6. The successful bidding Broker must be registered as a service provider on the Central Supplier Database under the custody of National Treasury.
7. All bids received will be evaluated in terms of the functionality evaluation criteria. The main functionality areas, on which the tender will be evaluated, are:
 - a) Broker Profile and Broker Service Programme
 - b) Ability to handle and settle claims.
 - c) Legal Support.
 - d) Financial performance/position of Broker and of Insurer
 - e) Broker's mandate
 - f) Pricing by more than one underwriter
 - g) Excess structure

Bidders that do not score the minimum qualifying score of 75 out of 100 points (at least 75%) or more for the functionality as indicated in the tender documents will be deemed non-responsive and only those bidders who score 75 or more out of 100 points will be evaluated further on the 80/20 preference point system.

Functionality criteria:

Criteria	Max points	Verification method
<p>Profile must at least include:</p> <ul style="list-style-type: none"> • A detailed schedule of relevant experience (including the start & end date of contract) =20 points <i>1 - 5 years =10 points</i> <i>6 – 10 years =15 points</i> <i>above 10 years' experience =20 points</i> • Reference letters from Municipalities which are clients of the bidder =20 points <i>1 - 5 municipal clients =10 point</i> <i>6 -10 municipal clients =15 points</i> <i>above 10 municipal clients =20 points</i> • Registered as an authorised financial service provider =10 points 	50	<p>Attach a detailed schedule</p> <p>Attach reference letters from municipalities</p> <p>Attach proof of registration as an authorised financial service</p>
<p>Ability of the bidder's infrastructure to handle and settle claims e.g. computer systems, personnel, network offices etc. <i>Resources – details of full-time employees being account directors, technicians, broking and other staff based in South Africa, who may be utilized on this account, including their certified qualifications =25 points</i></p> <p><i>Full time employees allocated to Dannhauser qualifications and experience</i> <i>1 - 5 years' experience & relevant qualifications =10 points</i> <i>6 - 10 years' experience & relevant qualifications =15 points</i> <i>above 10 years' experience & relevant qualification =25 points</i></p>	25	<p>Provide details of full-time employees being account directors, technicians, broking and other staff based in South Africa, who may be utilized on this account, including their certified qualifications</p>
<p>Legal Support <i>Details of support that will be given by the Insurance broker to the Municipality in respect of claims rejected by the Insurer and experience of the legal support team =25 points</i></p> <p><i>No CVs submitted / poor legal support - 0 points</i> <i>Average legal support - 15 points</i> <i>Good legal support - 25 points</i></p>	25	<p>Provide details of support that will be provided as well as CVs of the legal support team</p>
Total	100	

8. The bidder must supply full details on the functionality criteria as stated above.

Applications will only be accepted from companies must submit the following:



- a) Organisations must be registered with the Financial Services Board (FSB), Financial Intermediaries Associations (FIA) and the Institute of Risk Management South Africa (IRMSA). (Proof of registration must be attached).
9. The bid must be according to the attached schedules and completed in the format provided under pricing schedule.
10. The pricing schedule and conditions form the basis of insurance cover to be provided to this municipality and must clearly state the exact premiums and/or other payments applicable to Dannhauser Local Municipality. It may not be quoted in any other way than on the enclosed schedules. Any deviations from these schedules must be specified clearly in a separate schedule which only shows the deviations. **Bids not meeting the aforementioned requirements will be considered non-responsive and disqualified.**
- If the premiums and excess structure are not shown separately as specified in the Pricing Schedule, the tender will be deemed non-responsive and will not be considered;
 - All premiums must be VAT inclusive;
 - Brokers' fees and other administrative fees payable must be shown separately from the insurance premiums.
 - The premium tendered must remain firm for the initial period of 12 months.
 - The excess structure must remain fixed for the three (3) years tender period.
11. Any deviations, limitations or unfamiliar conditions must be clearly stipulated in respect of each policy type.
12. It must be highlighted that the Municipality can, after awarding the tender to the successful bidder, amend the insured amounts with any further information obtained before the start of the contract.

I, the undersigned, for and on behalf of the bidder, hereby confirm that I/we understand the information as stated above and that I/we will comply with all of the above.

.....
Name (print)

.....
Signature

.....
Capacity

.....
Date



APPENDIX A



DANNHAUSER MUNICIPALITY
SCHEDULE OF COVERS

SECTION	SUM INSURED 2021-2022
Combined	
- Standard Constructed Buildings	R334 463 814
- Escalation 10%	R0
- Standard Constructed Buildings (Contents)	R0
- Sub-stations, mini sub-stations, transformers etc	R0
- Property in the open	R1 100 000
- All water purification works and pump stations	R0
- All sewerage works and pump stations	R0
- Sport and recreational facilities	R48 768 795
- Park homes	R271 354
- Standard constructions - other structures	R27 778 253
- Inventory / Stock	R550 000
- Traffic Lights	R0
- Non Standard - Thatch	R0
- Non Standard - Thatch (Contents)	R0
- Private dwellings, residential units, hostels, Flats	R2 782 962
- Private dwellings, residential units & etc - (Contents)	R0
Extensions	
- Malicious Damage	R
- Debris Removal	R
- Motor Vehicles whilst parked at insured	Yes
- Sum Insured	R
- Riot and Strike (other than RSA and Namibia)	No
- Leakage of oils, chemicals or other fluids	Yes
- Theft of immovable property	R
- Malicious Damage	R
- Wash basins and Sanitary Ware	Yes
- Thatch structures unless specifically insured	R 100 000 Max Annual Limit
- Reasonable Precautions	R
- Claims Preparation Costs	100 000
TOTAL BUILDING COMBINED	R 417 715 178

Office Contents		R7 864 657
- Contents insured property	Included	
- Theft (forcible & violent entry or exit)	Included	
- Loss of Rent (up to 25% of sum insured)		R0
- Loss of Documents		R0
- Legal Liability (Documents)		R0
- Increase in Cost of Working		R0

Extensions		Yes	R
- Subsidence and Landslip	Yes		
- Sum Insured	R		25 000
- Riot and Strike (other than RSA and Namibia)	No		
- Leakage of Oils, Chemicals or other fluids	Yes		
- Locks and Keys	R		10 000
- Malicious Damage	R		10 000
- Reasonable precautions	R		10 000
- Claims Preparation Costs	R		100 000
TOTAL OFFICE CONTENTS	R		8 019 857

Business All Risks		R1 914 873,64
- All other specified items - Plant & Equipment		R1 914 873,64
- Laptops & portable computer equipment		R965 169,00
- Miscellaneous Tools & Equipment - Single item value R5,000 included under item 1		R0
- Tablet / Ipads		R144 302,40
- Recalls		R97 185,00
- Projector		R6 207,30
- Cellphones		R2 191,20

Extensions		Yes	No	R
- Increase in Cost of Working	Yes			
- Sum Insured	R			10 000
- Riot and Strike (other than RSA and Namibia)	No			
- Locks and Keys	R			10 000
- Claims Preparation Costs	R			100 000
TOTAL BUSINESS ALL RISKS	R			3 249 929

Theft		R
- First Loss Limit	R	340 000

Glass		R
- All fixed internal & external glass at the premises	R	130 000

Money		R
- Possession of Councilors/Employees away from insured premises on a business trip	R	5 000
- On the premises outside business hours in locked safe	R	5 000
- Loss of or damage to crossed cheques, money or postal	R	1 000 000
- Major limit	R	200 000
- Seasonal	R	200 000
- Receipts as a result of theft of money or attempt	R	50 000

Extensions	
- Locks and keys	R 10 000
- Reasonable precautions	R 10 000
- Credit cards	R -
- Personal Accident (Assault)	R 25 000
Capital Sum	R 10 000
Weekly Amount	R 1 000
Medical Expenses	R 10 000
- Riot and Strike (other than RSA and Namibia)	No
- Electronic Vending machines	Yes
- Claims Preparation Costs	R 100 000
TOTAL MONEY	R 1 626 000

Accidental Damage	
- Total value of property	R -
- Limit of indemnity	R 300 000

Stated Benefits		
- 24 hours - employees		R30 803 325,00
- 24 hours - councillors		R10 704 492,00
- Business Hours Limitation	R	-
- Business Hours Limitation plus Commuting Limitation	R	-

Benefits		
- Death - employees	3 x Annual earnings	
- Death - Councillors	2 x Annual earnings	
- Permanent Disability - both	% of Death benefit as specified for particular disability	
- Temporary Total Disabement - both	100% of average weekly earnings max 104 weeks	
- Medical Expenses - both		10 000
- Additional death benefits - both		20 000
- Relocation - both		10 000
- Repairation - both		10 000
- Mobility - both		10 000

Extensions		
- War Risks	No	
- Claims Preparation Costs	R	100 000
- Maximum Limit Any One Life	R	2 000 000
- Maximum Limit Any One event (Accumulation Limit)	R	10 000 000
TOTAL STATED BENEFITS		

Electronic Equipment		
- Specified Equipment including Servers & Software		R1 969 815,18
- Tablets / Pcds	R	144 302
- Laptops	R	965 169
- Escalation	R	-

Extensions		
- Prevention of Access	Yes	
- Increase in Cost of Working	R	25 000
- Reconstruction of Data	R	25 000
- Incompatibility	Yes	
- Telkom access line	Yes	
- Utilities (Failure of supply)	No	
- Riot and Strike (other than RSA and Namibia)	No	
- Claims Preparation Costs	R	100 000
TOTAL ELECTRONIC EQUIPMENT	R	3 128 287

Machinery Breakdown		
- Specified Equipment - Limit	R	1 273 360,00
- Electrical Transformers, Minisbs and Switchgear	R	-
- Expediting Costs	R	-

Extensions		
- Stock Spoilage	R	
- Damage to Surrounding Property	R	
- Automatic Additions	R	
- Claims Preparation Costs	R	100 000
TOTAL MACHINERY BREAKDOWN	R	1 373 360

Motorfleet Own Damage - value up to R600 000 - Comprehensive	
- Private type motor cars and Minibuses seating up to 16 persons	
- Commercial vehicles	
LDVS	
Trucks	
Fire Engines	
Ambulances	
Tractors	
Emergency Vehicles/Buses	
Wark Behind	
Motor Cycles	
Trailers	
Mowers)	
Implements	
Special type vehicles (roadmarking & construction vehicles, machinery, refuse removal, waste compactors etc)	
High value vehicles (First R 500 000.00)	
- Fire and Theft	

Extensions		
- Wreckage removal	R	10 000
- Fire extinguishing expenses	R	5 000
- Medical expenses (per occupant)	R	5 000
- Loss of keys	R	5 000
- Conveyance of explosives	No	
- Theft or attempted theft of radios/sound equipment	R	5 000
- Theft or attempted theft of telephones (excluding cellphones)	R	5 000
- Claims preparation costs		
TOTAL MOTOR OWN DAMAGE	R	100 000
		0

LIABILITIES		
Public Liability		
- Retroactive Date	01.07.2011	
- Policy Limit	R	
TOTAL Public Liability	R	100 000 000

Sub-limits		
- Wrongful Arrest and defamation	R	2 250 000
- Errors & omissions	R	2 250 000
- Products liability and defective workmanship	R	2 250 000
- Pedal Cycles	Market value	
- Legal Defense costs	R	2 250 000
- Professional Liability in respect of Medical Practitioners or other Medical officials	R	2 250 000
- Spread of fire	R	5 000 000
- Municipal Police liability	R	2 250 000
- Sub-limit use of firearms	R	250 000
- Sub-limit wrongful arrest & defamation	R	250 000

Employers Liability		
- Limit	R	
TOTAL Employers Liability	R	10 000 000

Motor Third party Liability		
- Limit	R	
TOTAL Motor Third Party Liability	R	2 000 000

SPECIAL RISK COVER	
COUNCILLORS PROPERTY - AS PER GOVERNMENT GAZETTE (LIST ATTACHED)	
SASRIA COVER	

SASRIA Riot Strike and Political Damage as defined on the policy :
Non-Motor - On all material damage sections including money and GIT
Motor - On all vehicles owned/hired by the Municipality.
Councillors Property - Cars and Private Dwelling Houses & contents. Limit R750000/ R7.5 million

SASRIA FOR COUNCILLORS PROPERTIES

PERIOD 01 July 2021 - 30 June 2022
Dannhauser Municipality

Councillors name	Physical Address	Houses	Contents	Total Properties	Vehicle Description	Registration No.
Manyathi Noel Godfrey Jabulani	Eskom no.1306 Devon Farm Ncalastand Nyanyaadu	R 850,000	R 700,000	R 1,550,000	Toyota	
Nene Phindia Perseverence Ntombemthophe Radebe Abigai Ntombemthophe	606 Maubi stand, Cleve farm, Dannhauser 3080	R 800,000	R 700,000		hyundai	
Radebe Abigai Ntombemthophe	Eskom no. 1163 Mkhwanazi Stand Annieville Dannhauser 3080	R 400,000	R 380,000	R 780,000	Chevrolet	
Ngubeni Zakhele Samuel	Eskom no. 1163 Mkhwanazi Stand Annieville Dannhauser 3080	R 980,000	R 420,000	R 1,400,000	Ford	
Ngubeni Zakhele Samuel	Eskom no 1025 Cloneen farm Dannhauser and No 1533 Lister Madadeni				Toyota	
Mfusi Emmanuel Sifiso	Eskom No 924 Donker farm, mfusi Stand Dannhauser	R 450,000	R 175,000	R 625,000	hyundai	
Sithole Sindiswe Gladys	Eskom no 1025 Cloneen farm Dannhauser and No 1533 Lister Madadeni	R 900,000	R 150,000	R 1,050,000	Ford	
Dubazana Xolile Magret	Koppie Allen Farm Eskom no : NLC, 19H4 Dannhauser 3080 and Jobstown area Rural area Osizweni	R 1,500,000	R 1,500,000	R 3,000,000	KB 250 Isuzu	
Dubazana Xolile Magret	Eskom no 851 Annieville farm Dannhauser 3080 and Koppie Allen farm Dannhauser 3080				Nissan	
Mkhize Mavis Sorito	Eskom no 851 Annieville farm Dannhauser 3080 and Koppie Allen farm Dannhauser 3080	R 1,350,000	R 250,000	R 1,600,000	Nissan (NP 200)	
Mkhize Mavis Sorito	No 26 Camp Road Dannhauser 3080				Nissan (Qashdai)	
Sibisi Simangalisu - S	No 26 Camp Road Dannhauser 3080	R 910,000	R 147,500	R 1,057,500	V.W Polo Vivo	
kumalo Nomusa Patricia	Eskom no 15H3 Springkok Laegle Dannhauser 3080	R 850,000	R 850,000	R 1,700,000	Toyota Hilux	
Dlamini Selby Dumisani	Eskom no 0843 Enfundweni thirst farm Dannhauser 3080	R 350,000	R 550,000.00	R 900,000	Toyota	

DANNHAUSER FLEET LIST			
BARCODE	FULL DESCRIPTION	SERIAL NO.	COST 2019
2780	MOTOR VEHICLE TRUCK FIRE ISUZU	NDH4698	1,198,681.96
3378	FRONT END LOADER VOLVO L70F	NDH 1158	1,556,020.00
3500	TANKER WATER	NDH 5539	1,099,442.22
3967	TIPPER TRUCK	NDH 7013	1,111,205.00
4001	TIPPER TRUCK	NDH 2086	1,075,607.00
03602	BMW 2016 X5 Drive 30d	NDH 1	1,151,554.00
04123	TRUCK	NDH 3436	R1,218,302
03770	Isuzu Double	NDH 6579	394,464.25
03771	Isuzu Double	NDH 4289	567,111.40
03772	Isuzu Single	NDH 6580	415,839.00
03398	ISUZU KB 4X4 CREW CAB	NDH3192	415,424.66
2757	MOTOR VEHICLE VW GOLF 5 GTI	NDH3379	289,473.68
2788	MOTOR VEHICLE TOYOTA ETIOS	NDH4529	108,747.73
03147	MOTOR VEHICLE	NDH1619	137,186.52
03148	MOTOR VEHICLE	NDH5033	167,735.74
03717	Toyota Corolla Quest 1.6	NDH 6304	232,412.65
04142	Isuzu KB250	NDH 6305	462,184.33
1951	MOTOR VEHICLE TRUCK NISSAN DIESEL UD80 REFUSE	NDH1377	791,039.00
2259	MOTOR VEHICLE ROLLER BOMAG(BW21D-40) BELL	NONE	818,000.00
2981	MOTOR VEHICLE GRADER	NDH2187	1,795,000.00
3397	GRADER	NDH5169	388,817.76
2260	MOTOR VEHICLE TRACTOR	NDH3793	524,700.00
4815	TRACTOR	NDH 1832	510,434.78
03761	Landini Super	NDH 6448	420,000.00
695	PARKHOME	NONE	5,247.63
1902	TRAILER SKID UNIT	NDH1962	20,000.00
2163	TRAILER BOMAG	NDH493	5,000.00
2261	TRAILER LOW BED	NDH3050	130,000.00
04184	FIRE ENGINE WATER TRAILER		R197,733
04185	FIRE ENGINE WATER TRAILER		R197,733
2256	MOTOR VEHICLE NISSAN TRUCK TIPPER	NDH4290	892,730.00
3020	MOTOR VEHICLE TRUCK	NDH2539	332,200.00
4002	Eicher Truck	NDH3939	491,450.00
454	MOTOR VEHICLE TOYOTA HILUX LDV 2000	NDH1766	65,000.00
457	TRAILER GENERATING PLANT	NDH4047	5,000.00
458	TRAILER CIVIL DEFENCE	NDH4001	20,000.00
464	MOTOR VEHICLE TRACTOR MASSEY-FERGUSON	NDH2006	9,513.00
488	TRAILER TANKER	NDH773	5,000.00
1137	TRAILER CONTAINER WATER	NDH1849	6,000.00
1210	MOTOR VEHICLE NISSAN HARDBODY LDV	NDH2694	15,000.00
1901	MOTOR VEHICLE TRACTOR FIAT	NDH1282	40,000.00
2113	MOTOR VEHICLE TBL FRONT END & BACKACTOR	NDH1955	500,000.00
2114	MOTOR VEHICLE TRACTOR	NDH3149	115,650.00
2134	MOTOR VEHICLE ISUZU BAKKIE	NDH2479	169,736.83
2985	TRAILER LOW BED	NDH276	5,000.00

DANHAUSER MUNICIPALITY		3 YEAR CLAIMS HISTORY				Claims Paid
Claim Number	Claim Description	Reg No	Cause code	Sub Cause Code	Date of Loss	Claims Paid
CLGRMUM-821651	INSURED WAS PULLING A TRACTOR WITH ANOTHER TRUCK AND IT SLIPPED AND GOT DAMAGED GAS SUFFERED AN ARMOURD ATTACK	NDH6448	Own Damage	Collision / Accident	20/07/2018	0
CLGRMUM-822883	CORRECT DOL: 17/09/2018 INSURED DROVE INTO THIRD PARTY VEHICLE	NDE3379	Theft	Loss / Damage Money	21/09/2018	42888.17
CLGRMUM-823967	TP says that his vehicle was parked at the municipal premises when a tree fell on his vehicle and his bonnet was damaged.		Own Damage	Collision / Accident	22/10/2018	30846.5
CLGRMUM-828671	Third party and the insured's vehicle collided at the T junction	NDH6304	Public Liability	Accidental	22/02/2019	0
CLGRMUM-828806	Third party collided with insured.		Own Damage	Collision / Accident	17/04/2019	13110
CLGRMUM-829656	Insured turned right across TP path of travel. TP was travelling at high speed and failed to take any evasive action.	NPG10578	Own Damage	Write Off	07/05/2019	482797.8
CLGRMUM-829656	Third party overtook our client and our client turned into third party vehicle	NDH4096	Liability i.r.o.	Third Party only	07/05/2019	28090.07
CLGRMUM-834851	Vehicle damaged whilst parked	HDH6304	Liability i.r.o.	Third Party only	17/04/2019	2591.64
CLGRMUM-836034	Stone flew from grass cutter and caused damage to TP vehicle.	NDH6580	Own Damage	Collision / Accident	28/06/2019	64189.31
CLGRMUM-825373	F2/19/060561 Damaged windows, doors, chairs, glass doors, geyser, skip bins, road signs, bus stop fencing.		Public Liability	Accidental	20/12/2018	0
CLGRMUM-833290	Driver hit a road barrier		SASRIA	SASRIA	25/09/2019	0
CLGRMUM-835631	Third party vehicle without trace damaged by a grass cutter.	NDH6579	Own Damage	Collision / Accident	29/11/2019	22381.09
CLGRMUM-836322	Laptop stolen from employee's house during robbery		Public Liability	Accidental	21/12/2019	0
CLGRMUM-838185	Insured collided with third party		Theft	With Force	8/8/2019	17386.8
CLGRMUM-844898	Laptop damaged	NDH1832	Liability i.r.o.	Third Party only	05/10/2020	0
CLGRMUM-845362	5% minimum R2,500 of each and every gross claim Laptop does not boot up, impact confirmed		Theft	With Force	20/10/2020	15241.3
CLGRMUM-848970	10% of each and every gross claim minimum R2500		Accidental Loss / Glass	Loss / Damage	25/02/2021	14891.3
CLGRMUM-850950	stone damage	NDH6305	Glass	Windscreen	30/03/2021	2364.63

MBD3.1

**PRICING SCHEDULE – FIRM PRICES
(PURCHASES)**

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

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

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

OFFER TO BE VALID FOR 90 DAYS FROM THE CLOSING DATE OF BID.

BID PRICE IN RSA CURRENCY
** (ALL APPLICABLE TAXES INCLUDED)

NB: Bidders to fill the amounts of the TENDER they are bidding for.

No.	Description	Price Exclusive of VAT	Vat (15%)	Price Inclusive of VAT

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

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

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

*Delete if not applicable

MBD 4

DECLARATION OF INTEREST

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

3.1 Full Name of bidder or his or her representative:

3.2 Identity Number:

3.3 Position occupied in the Company (director, trustee, hareholder²):

3.4 Company Registration Number:

3.5 Tax Reference Number:

3.6 VAT Registration Number:

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

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

3.8.1 If yes, furnish particulars.

.....

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

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



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

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

3.9.1 If yes, furnish particulars.....

.....

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

3.10.1 If yes, furnish particulars.

.....
.....

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

3.11.1 If yes, furnish particulars

.....
.....

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

3.12.1 If yes, furnish particulars.

.....
.....

3.13 Are any spouse, child or parent of the company’s director’s trustees, managers, Principle shareholders or stakeholders in service of the state? YES / NO

3.13.1 If yes, furnish particulars.

.....
.....

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

3.14.1 If yes, furnish particulars:

.....
.....

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

Full Name	Identity Number	State Employee Number



.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidders

MBD 6.1

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

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

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

1. GENERAL CONDITIONS

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

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2

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

1.3 Points for this bid shall be awarded for:

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

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

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

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

1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time



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

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

5. BID DECLARATION

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

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

6.1 B-BBEE Status Level of Contributor: . = (maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING

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

(Tick applicable box)

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

7.1.1 If yes, indicate:

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

(Tick applicable box)

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

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



Regulations,2017:

Designated Group: An EME or QSE which is at last 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 **MUNICIPAL INFORMATION**

Municipality where business is situated:

Registered Account Number:

Stand Number:.....

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

8.9 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the



foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution.

WITNESSES

1.

2.

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

DATE:

ADDRESS

.....

.....



MBD 7.2

CONTRACT FORM - RENDERING OF SERVICES

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

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

1. I hereby undertake to render services described in the attached bidding documents to (name of the institution)..... in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number..... at the price/s quoted. My offer/s remains binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Bidding documents, viz
 - Invitation to bid;
 - Tax clearance certificate;
 - Pricing schedule(s);
 - Filled in task directive/proposal;
 - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
 - Declaration of interest;
 - Declaration of Bidder's past SCM practices;
 - Certificate of Independent Bid Determination;
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfilment of this contract.



5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.

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

NAME (PRINT)	WITNESSES 1
CAPACITY	
SIGNATURE	
NAME OF FIRM	
DATE	

MBD 7.2

CONTRACT FORM - RENDERING OF SERVICES

PART 2 (TO BE FILLED IN BY THE PURCHASER)

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

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

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

SIGNED AT ON

NAME (PRINT)

SIGNATURE



OFFICIAL STAMP

WITNESSES

1

....

2

MBD 8

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

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

Item	Question	Yes	No
4.1	<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>The Database of Restricted Suppliers now resides on the National Treasury's website (www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>



4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
Item	Question	Yes	No
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <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

MBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

1 This Municipal Bidding Document (MBD) must form part of all bids¹ invited.

2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.

3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:

- a. takes 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. cancels a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.

4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.

5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

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



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

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 consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
- (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) Methods, factors or formulas used to calculate prices;
 - (d) The intention or decision to submit or not to submit, a bid;
 - (e) The submission of a bid which does not meet the specifications and conditions of the bid;
- or
- (f) Bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

General Conditions of Contract



1. Definitions

The following terms shall be interpreted as indicated:

- 1.1 **"Closing time"** means the date and hour specified in the bidding documents for the receipt of bids.
- 1.2 **"Contract"** means the written agreement entered into between the Purchaser and the Vendor, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- 1.3 **"Contract price"** means the price payable to the Vendor under the contract for the full and proper performance of his contractual obligations.
- 1.4 **"Corrupt practice"** means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
- 1.5 **"Countervailing duties"** are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- 1.6 **"Country of origin"** means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- 1.7 **"Day"** means calendar day.
- 1.8 **"Delivery"** means delivery in compliance with the conditions of the contract or order.
- 1.9 **"Delivery ex stock"** means immediate delivery directly from stock actually on hand.
- 1.10 **"Delivery into consignee's 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 Vendor bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
- 1.11 **"Dumping"** occurs when a private enterprise abroad markets its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.

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

1.24 **“Services”** means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the Vendor covered under the contract.

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

2. Application

2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but **excluding immovable property**, unless otherwise indicated in the bidding documents.

2.2 Where applicable, Special Conditions of Contract are also laid down to cover specific Vendors, services or works.

2.3 Where such Special Conditions of Contract are in conflict with these general conditions, the special conditions shall apply.

3. General

3.1 Unless otherwise indicated in the bidding documents, the Purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.

3.2 Invitations to bid are usually published in local distributed news media and on the municipality / municipal entity website.

4. Standards

4.1 The goods/works and/or service supplied shall conform to the standards mentioned in the bidding documents and specifications.

5. Use of Contract Document and Information

- 5.1 The Vendor shall not, without the Purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the Purchaser in connection therewith, to any person other than a person employed by the Vendor in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The Vendor 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 Vendor's performance under the contract if so required by the Purchaser.
- 5.4 The Vendor shall permit the Purchaser to inspect the Vendor's records relating to the performance of the Vendor and to have them audited by auditors appointed by the Purchaser, if so required by the Purchaser.
- 5.5 The Vendor 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. Patent Rights

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

7. Performance Security

- 7.1 The proceeds of the performance security shall be payable to the Purchaser as compensation for any loss resulting from the Vendor's failure to complete his obligations under the contract.
- 7.2 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.

7.3 The performance security will be discharged by the Purchaser and returned to the Vendor not later than thirty (30) days following the date of completion of the Vendor's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspection, Tests and Analysis

8.1 All pre-bidding testing will be for the account of the bidder.

8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Institution or an organization acting on behalf of the Institution.

8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the Purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the Purchaser.

8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the Vendor.

8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

8.7 Any contract supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the Vendor who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the Vendor's cost and risk. Should the



Vendor fail to provide the substitute supplies forthwith, the Purchaser may, without giving the Vendor further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the Vendor.

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

9. Packaging

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

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

10. Delivery and Documents

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

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

11. Insurance

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

12. Transportation

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

13. Incidental Services

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

- a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
- c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
- d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the Vendor of any warranty obligations under this contract;
- e) training of the Purchaser's personnel, at the Vendor's plant; and /or
- f) on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

- 13.2 Prices charged by the Vendor 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 Vendor for similar services.

14. Spare Parts

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

- a) such spare parts as the Purchaser may elect to purchase from the Vendor, provided that this election shall not relieve the Vendor 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 Vendor 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 Vendor 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 Vendor, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.
- 15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.
- 15.3 The Purchaser shall promptly notify the Vendor in writing of any claims arising under this warranty.
- 15.4 Upon receipt of such notice, the Vendor shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the Purchaser.
- 15.5 If the Vendor, having been notified, fails to remedy the defect(s) within the period specified in SCC, the Purchaser may proceed to take such remedial action as may be necessary, at the Vendor's risk and expense and without prejudice to any other rights which the Purchaser may have against the Vendor under the contract.

16. Payment

- 16.1 The method and conditions of payment to be made to the Vendor under this contract shall be specified in SCC.



- 16.2 The Vendor shall furnish the Purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment 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 Vendor.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

- 17.1 Prices charged by the Vendor for goods/works delivered and/or services rendered under the contract shall not vary from prices quoted by the Vendor in this bid, with an exception of any price adjustments authorized in SCC or Purchaser's request for bid validity extension, as the case may be.

18. Contract Amendments

- 18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

19. Assignment

- 19.1 The Vendor shall not assign, in whole or in part, its obligations to perform under the contract, except with the Purchaser's prior written consent.

20. Subcontractors

- 20.1 The Vendor shall notify the Purchaser in writing of all subcontracts awarded under this contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the Vendor from any liability or obligation under the contract.

21. Delay in Vendor's Performance



- 21.1 Delivery of the goods/works and/or performance of services shall be made by the Vendor 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 Vendor or its subcontractor(s) should encounter conditions impeding timely delivery of the goods/works and/or performance of services, the Vendor 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 Vendor's notice, the Purchaser shall evaluate the situation and may at his discretion extend the Vendor's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have essential services executed if an emergency arises, the Vendor's point of supply is not situated at or near the place the supplies are required or the Vendor's supplies or goods are not readily available.
- 21.5 Except as provided under GCC Clause 25, a delay by the Vendor in the performance of its delivery obligations shall render the Vendor liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.
- 21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the Purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the Vendor'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 Vendor.

22. Penalties

- 22.1 Subject to GCC Clause 25, if the Vendor fails to deliver any or all of the goods/works and/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/works and/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 Vendor, may terminate this contract in whole or in part:
- a) if the Vendor 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 Vendor fails to perform any other obligation(s) under the contract; or
 - c) if the Vendor, 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 and/or services similar to those undelivered, and the Vendor shall be liable to the Purchaser for any excess costs for such similar goods/works and/or services. However, the Vendor 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 Vendor by prohibiting such Vendor 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 Vendor or any person associated with the Vendor, the Vendor 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 Vendor fail to respond within the stipulated fourteen (14) days the Purchaser may regard the intended penalty as not objected against and may impose it on the Vendor.
- 23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.
- 23.6 If a restriction is imposed, the Purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:

- (i) the name and address of the Vendor and / or person restricted by the Purchaser;
- (ii) the date of commencement of the restriction
- (iii) the period of restriction; and
- (iv) the reasons for the restriction.

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

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

24. Anti-Dumping and Countervailing Duties and Rights

24.1 When, after the date of bid, provisional payments are required, or antidumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favorable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

25. Force Majeure

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the vendor 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 as a result of an event of Force Majeure.

25.2 If a force majeure situation arises, the Vendor shall promptly notify the Purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the Purchaser in writing, the Vendor 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 on Insolvency

26.1 The Purchaser may at any time terminate the contract by giving written notice to the Vendor if the Vendor becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the Vendor, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Purchaser.

27. Settlement of Disputes

27.1 If any dispute or difference of any kind whatsoever arises between the Purchaser and the Vendor 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 Vendor may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

27.5 Notwithstanding any reference to mediation and/or court proceedings herein,

(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and

(b) the Purchaser shall pay the Vendor any monies due the Vendor.

28. Limitation of Liability

28.1 Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6;



- a) the Vendor 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 Vendor to pay penalties and/or damages to the Purchaser; and
- b) the aggregate liability of the Vendor to the Purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

29. Governing Language

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

30. Applicable Law

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

31. Notices

- 31.1 Every written acceptance of a bid shall be posted to the Vendor 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 Vendor 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 Vendor shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the Purchaser.

- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

33. National Industrial Participation Programme

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

34. Prohibition of Restrictive Practices

- 34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
- 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the Purchaser, has / have engaged in the restrictive practice referred to above, the Purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.
- 34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the Purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.