

## CAPRICORN DISTRICT MUNICIPALITY



### TERMS OF REFERENCE FOR THE SUPPLY, DELIVERY AND ASSEMBLING OF OFFICE FURNITURE

**BID NO:** COR-A31/2021/2022

**CLOSING DATE:** 24 JANUARY 2022 @ 11H00

**BIDDER NAME:** \_\_\_\_\_

**TOTAL BID AMOUNT:** \_\_\_\_\_

**RECEIPT NO:** \_\_\_\_\_

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## **CONTENT**

1. BACKGROUND INFORMATION .....	3
2. SCOPE OF WORK .....	3
3. DELIVERABLES .....	3
4. EVALUATION CRITERIA.....	4
5. SPECIAL CONDITIONS .....	5
6. CONTRACT PERIOD .....	5
7. BID ENQUIRIES .....	5
8. CONDITIONS FOR THE BID .....	5
9. ANNEXURES.....	8
10. MBD 6.2 .....	8
11. DEFINITIONS .....	9
12. THE STIPULATED MINIMUM THRESHOLD(S) FOR LOCAL PRODUCTION AND CONTENT .....	10
13. LOCAL CONTENT DECLARATION.....	11

## 1. BACKGROUND INFORMATION

Bidders are invited to bid for the supply, delivery and assembling of office furniture.

## 2. SCOPE OF WORK

The appointed service provider is expected to supply, deliver and assemble required office furniture to CDM offices situated in Lepelle-Nkumpi, Blouberg, Molemole and Polokwane. The list of furniture required is listed under item 4. As deliverables.

## 3. DELIVERABLES

Description of furniture	Average size of furniture	Quantity	Unit Price	Total
Ergonomic mesh swivel chair with curved back support, adjustable height	Standard	8		
High back leather chair (black) with resting arms and adjustable height	Standard	28		
Visitor's chair black with steel silver legs	Standard	24		
Desks with 3 drawers and a credenza. Mahogany veneer	160 x 80 cm	6		
Executive office table with three drawers and credenza. Mahogany veneer	200cm x 100cm	3		
Filing glass cabinets mahogany veneer (wooden bottom doors)	80cm x 200cm	15		
Three seater leather couch	Standard	3		
Microwave	Minimum of twenty litre	3		
Steel lockable filing cabinets (four drawers)	Standard	7		
<b>Sub total</b>				
<b>VAT</b>				
<b>Total</b>				

## 4. EVALUATION CRITERIA

Bids will be evaluated in terms of minimum thresholds for local content stipulated in the bid document. The declaration made by the bidder in the Declaration Certificate for Local Content (MBD 6.2) and Annex C (Local Content Declaration: Summary Schedule will be used for this purpose.

This request will be evaluated in two stages: first stage will be based on Local Content and second Preferential Points

### 4.1 PHASE 1: Minimum local contents requirements

4.1.1 First Stage of Evaluation: All responses that will not meet the required minimum threshold for local content as stipulated in the specifications will be disqualified and not evaluated Further.

4.1.2 Bidders that are responding to the supply and delivery of office furniture are expected to comply with the local content requirements with effect from 15 November 2012 in terms of Regulation 9(1) and 9(3) of the Preferential Procurement Regulations, 2011.

4.1.3 It is required that bidders must fill and complete the MBD 6.2 and Declaration forms for Local Content (Annexes C, D, & E) with clear Local Content percentages for the specified furniture to be procured either locally or internationally as stipulated in the MBD 6.2 of the tender document.

4.1.4 To note that failure to complete the local content and its percentage requirements is an automatic disqualification.

4.1.5 Thus only locally produced or locally manufactured products from local raw materials in accordance with the required threshold values will be considered.

4.1.6 Only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 must be used to calculate local content.

4.1.7 The local content (LC) expressed as a percentage of the bid price will be calculated in accordance with the following formula:

$$LC = (1 - x/y) * 100$$

Where:

x is the imported content in Rand

y is the bid price in Rand excluding value added tax (VAT)

4.1.8 Prices referred to in the determination of x will be converted to Rand (ZAR) by using the exchange rate published by the SARB at 12:00 on the date that the bid has been advertised.

4.1.9 SATS 1286:2011, Local content Declaration Templates (Annexes C, D & E) and the Guidance Document for the Calculation of Local content are accessible to all potential bidders on the DTI official website ([http://www.dti.gov.za/industrial\\_development/ip.jsp](http://www.dti.gov.za/industrial_development/ip.jsp)) at no cost.

4.1.10 Bid in respect of textile, clothing, leather and footwear must contain a specific bidding condition that:

- 4.1.11 Only locally produced or locally manufactured textile, clothing, leather and footwear from local raw material or input will be considered. Remove if the raw material or input to be used for a specific item is not available locally, bidders should obtain written authorization from the DTI should there be a need to import such raw material or input, and
- 4.1.12 A copy of the authorization letter must be submitted together with the bid document at the closing date and time of the bid.
- 4.1.13 Only bids that achieved the minimum threshold for local content and production will be evaluated further in terms of functionality and preference point system prescribed in the Preferential Procurement Regulations, 2011.5.2.

#### 4.2 **PHASE 2: Price and Equity**

The evaluation will be done by using **80/20**-point system as indicated below:

<b>Preference point system</b>	<b>Points</b>
Price	80
BBBEE SCORE	20
<b>Total Maximum Score</b>	<b>100</b>

### 5. **SPECIAL CONDITIONS**

Bidders are expected to comply with local content requirements, failure to comply will lead to automatic disqualification.

### 6. **CONTRACT PERIOD**

The supply, delivery and assembling of office furniture must be within a period of six months after signing of the service level agreement.

### 7. **BID ENQUIRIES**

All matters related to the specification of this contract shall be directed to Martin Manamela at 015 294 1234 [manamelam@cdm.org.za](mailto:manamelam@cdm.org.za). All matters relating to Supply Chain Management should be directed to Ms. Violet Masemola at 015 294 1210/ [masemolav@cdm.org.za](mailto:masemolav@cdm.org.za); Mr. Tiro Pilusa at 015 294 1039/ [pilusat@cdm.org.za](mailto:pilusat@cdm.org.za).

### 8. **CONDITIONS FOR THE BID**

- 8.1 The employer and each Bidder submitting a Bid offer shall comply with these terms and conditions of Bid. In their dealings with each other, they shall discharge their duties and obligations timeously and with integrity, and behave equitably, honestly and transparently.

- 8.2 Only those bidders who have the necessary experience and skills are eligible to submit bids.
- 8.3 The bidder must attach following with the tender:
  - 8.3.1 The legal registration certificates of the business entity.
  - 8.3.2 Tax access code (pin) issued by the South African Revenue Services to verify your tax matters.
  - 8.3.3 B-BBEE certificate or SWORN affidavit from Commissioner of Oath.
  - 8.3.4 Proof of registration with professional authorities. **(Where Applicable)** proof of registration with the central supplier database (CSD)
  - 8.3.5 Proof that municipal rates and taxes are not in arrears, or a lease agreement or a letter from traditional council
- 8.4 **The bidder must complete the attached forms** (failure to do so will result to disqualification)
  - 8.4.1 MBD 1- Invitation to Bid
  - 8.4.2 MBD 3.1- pricing Schedule – Firm Prices (Purchases)
  - 8.4.3 MBD 3.2- pricing Schedule – Non-Firm Prices (Purchases)
  - 8.4.4 MBD 4 - Declaration of Interest
  - 8.4.5 MBD 6.1 - Preference Points Claim Form in Terms of the Preferential Procurement Regulations 2011
  - 8.4.6 MBD 7.2 - Contract Form - Rendering of Services
  - 8.4.7 MBD 7.3-Contract Form-Sales of Goods /Works
  - 8.4.8 MBD 8 - Declaration of Bidder's Past Supply Chain Management Practices
  - 8.4.9 MBD 9 Certificate of Independent Bid Determination
- 8.5 Bidders must take note that briefing session will not take place. Bidders may send electronic mails enquiries related to this bid.
- 8.6 The bid price must remain valid for a period of 90 days calculated from the closing days.
- 8.7 The offer shall be open for acceptance by the Municipality during the validity period of 90 days.
- 8.8 The bidder or any of its directors has not:
  - 8.8.1 Listed on the register of bid defaulters in terms of the Prevention and Combating of Corrupt Activities Act of 2004 as a person prohibited from doing business with the state.
  - 8.8.2 Abused the employers supply chain management system.
  - 8.8.3 Failed to perform on any previous contract and has been given a written notice in this effect.
  - 8.8.4 All information and details must be legible/ readable.

- 8.9 If the bidder fails to fulfil the contract when called upon to do so, the municipality may, without prejudice to its other rights, withdraw or cancel the contract that may have been entered into between the bidder and the Municipality.
- 8.10 Each communication between the Municipality and a Bidder shall be to or from the Municipality only, and in a form that can be read, copied and recorded. Writing shall be in the English language. The Municipality shall not take any responsibility for non-receipt of communications from or by a Bidder. The name and contact details of the Municipality are stated.
- 8.11 Accept that the employer will not compensate the Bidder for any costs incurred in the preparation and submission of a Bid offer, including the costs to demonstrate that aspects of the offer satisfy requirements.
- 8.12 The Municipality may accept or reject any variation, deviation, bid offer or alternative Bid offer, and may cancel the Bid process and reject all Bid offers at any time before the formation of a contract. The employer shall not accept or incur any liability to a Bidder for such cancellation and rejection but will give written reasons for such action upon written request to do so.
- 8.13 No bids will be considered from persons in the service of the state (as defined in regulation 1 of the local government: municipal supply chain management regulations)
- 8.14 Bid documents may not be retyped, redrafted or copied. Only original copy from the municipality will be accepted.
- 8.15 Use of correctional fluid is prohibited
- 8.16 Any alteration made by the bidder must be initialled.
- 8.17 The bidder must ensure that all pages of the tender documents are initialled.
- 8.18 Successful bidder will be required to enter into formal contract with the municipality.
- 8.19 The Municipality address for the delivery of the bid offer package is:

<b>Location of Bid box</b>	Tender Box
<b>Physical address</b>	41 Biccard Street, Polokwane, 0699
<b>Identification details</b>	Supply , Delivery and Assembling of Office furniture

- 8.20 The closing time for submission of bid offers is as stated in the bid notice and invitation to bid.
- 8.21 Late, Telephonic, telegraphic, telex, facsimile or e-mailed bid offers will not be accepted.
- 8.22 CDM is not obliged to accept the lowest or any tender submission.
- 8.23 Bid will be opened immediately after the closing time at the municipal Offices, at 41 Biccard Street, Polokwane.

## 9. ANNEXURES

Attached, find Annexure A & B (MBD 1, MBD 3.1, MBD 3.2, MBD 4, MBD 6.1, MBD 7.2, MBD 7.3, MBD 8 & MBD 9) to be completed in line with the official supply chain management policy of the district municipality.

## 10.

## MBD 6.2

### **DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS**

This Municipal Bidding Document (MBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2011 and the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

#### 10.1 General Conditions

- 10.1.1 Preferential Procurement Regulations, 2011 (Regulation 9) makes provision for the promotion of local production and content.
- 10.1.2 Regulation 9. (1) prescribes that in the case of designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 10.1.3 Where necessary, for bids referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 10.1.4 A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 10.1.5 The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

$$LC = [1 - x / y] * 100$$

Where



- x is the imported content in Rand
- y is the bid price in Rand excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid as required in paragraph 4.1 below.

The SABS approved technical specification number SATS 1286:2011 is accessible on [http://www.thedti.gov.za/industrial development/ip.jsp](http://www.thedti.gov.za/industrial%20development/ip.jsp) at no cost.

10.1.6 A bid may be disqualified if –

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

## 11. DEFINITIONS

- 11.1 “bid” includes written price quotations, advertised competitive bids or proposals;
- 11.2 “bid price” price offered by the bidder, excluding value added tax (VAT);
- 11.3 “contract” means the agreement that results from the acceptance of a bid by an organ of state;
- 11.4 “designated sector” means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;
- 11.5 “duly sign” means a Declaration Certificate for Local Content that has been signed by the Chief Financial Officer or other legally responsible person nominated in writing by the Chief Executive, or senior member / person with management responsibility (close corporation, partnership or individual).
- 11.6 “imported content” means that portion of the bid price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad (this includes labour and intellectual property costs), plus freight and other direct importation costs, such as landing costs, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry;
- 11.7 “local content” means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place;
- 11.8 “stipulated minimum threshold” means that portion of local production and content as determined by the Department of Trade and Industry; and

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

## 12. THE STIPULATED MINIMUM THRESHOLD(S) FOR LOCAL PRODUCTION AND CONTENT

(refer to Annex A of SATS 1286:2011) for this bid is/are as follows:

Description of services, works or goods Stipulated minimum threshold

QUANTITY	DESCRIPTION AND COLOUR OF FURNITURE	MINIMUM THRESHOLD
8	Ergonomic mesh swivel chair with curved back support, adjustable height.	65%
28	High back leather chair (black) with resting arms and adjustable height.	65%
24	Visitor’s chair black with steel silver legs	100%
6	Three seater leather couch	100%
1	Desks with 3 drawers and a credenza. Mahogany veneer.	100%
15	Filing glass cabinets mahogany veneer (wooden bottom doors).	100%
3	Three seater leather couch.	85%
3	Microwave	N/A
7	Steel lockable filing cabinets (four drawers)	100%

- 12.1 Does any portion of the services, works or goods offered have any imported content?

(*Tick applicable box*)

YES		NO	
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- 12.2 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by the SARB for the specific currency at 12:00 on the date of advertisement of the bid.
- 12.3 The relevant rates of exchange information are accessible on [www.reservebank.co.za](http://www.reservebank.co.za).
- 12.4 Indicate the rate(s) of exchange against the appropriate currency in the table below (refer to Annex A of SATS 1286:2011):

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Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

- 12.5 Were the Local Content Declaration Templates (Annex C, D and E) audited and certified as correct?

(***Tick applicable box***)

YES		NO	
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- 12.6 If yes, provide the following particulars:

12.7 Full name of auditor: .....

12.8 Practice number: .....

12.9 Telephone and cell number: .....

12.10 Email address: .....

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

- 12.11 Where, after the award of a bid, challenges are experienced in meeting the stipulated minimum threshold for local content the dti must be informed accordingly in order for the dti to verify and in consultation with the Accounting Officer / Accounting Authority provide directives in this regard.

### 13. LOCAL CONTENT DECLARATION

(REFER TO ANNEX B OF SATS 1286:2011)

<p><b>LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)</b></p> <p><b>IN RESPECT OF BID NO. ....</b></p> <p><b>ISSUED BY:</b> (Procurement Authority / Name of Municipality / Municipal Entity): .....</p>
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NB

13.1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.

13.2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on [http://www.thedti.gov.za/industrial\\_development/ip.jsp](http://www.thedti.gov.za/industrial_development/ip.jsp). Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

I, the undersigned, .....

(full names),

do hereby declare, in my capacity as .....

of .....

(name of bidder entity), the following:

13.2.1 The facts contained herein are within my own personal knowledge.

13.2.2 I have satisfied myself that

13.2.2.1 the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and

13.2.2.2 the declaration templates have been audited and certified to be correct.

13.2.3 The local content percentages (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C;

Bid price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2011	R
Stipulated minimum threshold for local content (paragraph 3 above)	
Local content %, as calculated in terms of SATS 1286:2011	

**If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above. The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E.**

13.2.4 I accept that the Procurement Authority / Municipality /Municipal Entity has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.

13.2.5 I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Municipal / Municipal Entity imposing any or all of the remedies as provided for in Regulation 13 of the Preferential Procurement Regulations, 2011 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

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

**WITNESS No. 1** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**WITNESS No. 2** \_\_\_\_\_ **DATE:** \_\_\_\_\_