



INKOSI LANGALIBALELE LOCAL MUNICIPALITY

**PANEL OF CONTRACTORS FOR GENERAL BUILDING WORKS FOR A PERIOD THREE (3)
YEARS.**

BID NO: 19/21/22

CIDB CONTRACTOR GRADING (4GB – 7GB)

Name of Tenderer:	
Telephone Number:	
Business Address:	
Email Address:	
Closing date:	19 July 2022
Closing time:	12H00

EMPLOYER:

Inkosi Langalibalele Local Municipality

The Municipal Manager

Victoria Street

3310

Tel: (036) 342 7800

Fax:(036) 352 5829

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ADVERTISEMENT



INKOSI LANGALIBALELE LOCAL MUNICIPALITY

PANEL OF CONTRACTORS FOR GENERAL BUILDING WORKS (4GB – 7GB) FOR A PERIOD OF THREE (3) YEARS.

BID NO: ILM19/21/22

Inkosi Langalibalele Local Municipality hereby invites proposals in terms of Section 83 of the Municipals Systems Act, Act 32 of 2000 as amended and Sections 110 and 112 of the Municipal Finance Management Act, Act 56 of 2003 from Local Economic Development service providers for the leasing of the below vacant land for development.

Project Name	Bid No	Compulsory Briefing Date	Closing Date
Panel of Contractors for General Building Works (4GB - 7GB) For a Period of Three (3) Years.	ILM19/21/22	24 June 2022 at 10:00 a.m	19 July 2022 at 12:00 Noon

Tender documents will be available in pdf format as from **22 June 2022** in the Inkosi Langalibalele Municipality webpage (www.ilm.gov.za) and on e-tenders website.

A compulsory briefing session to be held at Inkosi Langalibalele Municipality offices, Civic building, Victoria Street, Estcourt on 24 June 2022 at 10:00 (AM), Printed Tender Documents must be presented for signing (Compulsory), thereafter a site visit, please provide your own transport.

This tender will be evaluated on the 80/20 preferential procurement policy framework (PPPFA) Regulations 2017. The evaluation criteria will be based on the following functionalities:

1. The Panel of Contractors for General Building Works (4GB-7GB) for a Period of Three Years

Key Aspects for Criteria	Points allocated	Verification Method
Completed Project in the field. 10 Points per Project.	30	Appointment Letter, Completion / Certificates and Reference Letters,
Qualification and Experience: <ul style="list-style-type: none">Site Agent: Must be registered with ECSA (Pr Eng / Pr Tech Eng / Pr Tech) or SACPCMP (Pr CPM), NQF Level 6 Qualification with 3 Years and above Experience. (10 Points)Foreman: NQF Level 6 Qualification and not less than 3 Years' Experience. (5 Points),Registration with NHBRC. (5 Points)	20	CV and Certified Proof of registration with the relevant Council and Qualification.
Availability of Plant and Equipment: <ul style="list-style-type: none">1 x TLB (05 Points)1 x Flat truck (05 Points)1 x Bakkie (05 Points)	15	Proof of Ownership or Lease Agreement. Copy of Certified Registration Documents
Method Statement: <ul style="list-style-type: none">Comprehensive (15 Points)Moderate (05 Points)Poor (02 Points)	15	Proposal with Comprehensive Method.
Location: <ul style="list-style-type: none">20 Points for ILM Branch.10 Points for Branch within Uthukela05 Points for Branch within KZN.	20	Proof of Ownership of Site or Lease Agreement.
Total	100	

Tenderers need to score a minimum of **70 %** in terms of the “Pre-qualification” before the tender is considered for further evaluation.

Tenders are to be completed in full bond and in accordance with the conditions and bid rules contained in the bid documents and supporting documents must be placed in a sealed envelope and clearly marked “**Panel of Contractors for General Building Works(4GB-7GB) for a Period of Three Years**” quoting the relevant Bid Number must be deposited in the Tender box at ground floor, Inkosi Langalibalele Municipality, Victoria Street, Estcourt, 3310 by not later than **19 July 2022 at 12h00 (Noon)**, where they will be opened and registered in public.

The Inkosi Langalibalele Municipality subscribes to the Preferential Procurement Regulations, pertaining to the preferential procurement policy framework act (PPPFA) principles whereby a tenderer’s submission will be evaluated according to the sum of the award of points in respect of the tender value and the B-BBEE status of the tenderer. The tender will be evaluated on 80/20 as per the PPPFA Regulations 2017 and shall be based on pre-qualification and functionality. Bidders are required to submit a Company Profile accompanied by the company’s CSD (Central Supplier Database) Report, CIPC Documents, Certified Identity Documents of all Directors, Valid Tax Clearance Certificate and PIN from the Receiver of Revenue, Rates and Taxes Statement obtainable from the Local Municipality, alternatively, Valid Lease Agreement together with the Statement of Account/Letter from the Landlord confirming that payments are made in accordance with the Lease Agreement. Please note that the onus is upon the tenderer to ensure that the Tax matters are **always** up to date.

Service providers operating in exempted areas shall submit an exemption letter obtainable from a Local Municipality.

Technical enquiries shall be directed to: Mr Mthokozisi Shabalala on 036 342 7800 and SCM Compliance enquiries shall be directed to - Mr Sthembiso Memela on 036 342 7800 during office hours.

The INKOSI LANGALIBALELE Municipality does not bind itself to accept the lowest or any bid and reserves the right to accept a bid in whole or any part. The municipality further reserves the right not to award this bid.

ZM Ndlela

ACTING MUNICIPAL MANAGER

Notice: 25/22

ANNEXURE A

MBD FORMS

- ☐ MBD 1: Invitation to bid and Particulars of bidder
- ☐ MBD 2: Certificate of Attendance at Site Meeting
- ☐ MBD 3: Tax Clearance Certificates
- ☐ MBD 4: Declaration of Interest
- ☐ MBD 6.1: Preference points claim forms in terms of Preferential Procurement Regulation 2017
- ☐ MBD 8: Declaration of Bidder's Past Supply Chain Management Practices
- ☐ MBD 9: Certificate of independent bid determination

**PART A
INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE INKOSI LANGALIBALELE LOCAL MUNICIPAL					
BID NUMBER:	ILM19/21/22	CLOSING DATE:	19 July 2022	CLOSING TIME:	12:00
DESCRIPTION					

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

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID
BOX SITUATED AT *Civic Building, Victoria Street, Estcourt 3310*

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	CONTACT PERSON
CONTACT PERSON	TELEPHONE NUMBER
TELEPHONE NUMBER	FACSIMILE NUMBER
FACSIMILE NUMBER	E-MAIL ADDRESS
E-MAIL ADDRESS	

PART B TERMS AND CONDITIONS FOR BIDDING

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										
<table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?</td> <td style="text-align: right;"> <input type="checkbox"/> YES <input type="checkbox"/> NO </td> </tr> <tr> <td>3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?</td> <td style="text-align: right;"> <input type="checkbox"/> YES <input type="checkbox"/> NO </td> </tr> <tr> <td>3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?</td> <td style="text-align: right;"> <input type="checkbox"/> YES <input type="checkbox"/> NO </td> </tr> <tr> <td>3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?</td> <td style="text-align: right;"> <input type="checkbox"/> YES <input type="checkbox"/> NO </td> </tr> <tr> <td>3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?</td> <td style="text-align: right;"> <input type="checkbox"/> YES <input type="checkbox"/> NO </td> </tr> </table> <p>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.</p>	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
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									

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

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

DATE:

A. CERTIFICATE OF ATTENDANCE AT CLARIFICATION MEETING

This is to certify that (*Tenderer*)

of (*address*)

.....
was represented by the person named below at the compulsory clarification meeting held for all Tenderers at Inkosi Langalibalele Local Municipality Office: 1 Victoria Street, Estcourt (refer to the Clarification Meeting Venue Plan in Section T1.1) on TBC, starting at 10:00.

I acknowledge that the purpose of the meeting was to acquaint myself with the site of the works and / or matters incidental to doing the work specified in the tender documents in order for me to take account of everything necessary when compiling our rates and prices included in the tender.

Particulars of person attending the meeting:

Name: Signature:

Capacity:

Attendance of the above person at the meeting is confirmed by the Municipal, namely:

Name: Signature:

Capacity: Date and Time:

Municipal Stamp

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state ☐.
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 favoritism, 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 authorized representative declare their position in relation to the evaluating/adjudicating authority and/or take an oath declaring his/her interest.
3. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

3.1 Full Name:

3.2 Identity Number:

3.3 Company Registration Number:

3.4 Tax Reference Number:

3.5 VAT Registration Number:

3.6 Are you presently in the service of the state ☐ YES / NO

3.6.1 If so, furnish particulars.

.....

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

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

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

1.1.1. If so, furnish particulars.

.....

3.8 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**

3.8.1 If so, furnish particulars.

.....

.....

3.9 Are you, aware of any relationship (family, friend, other) between a 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**

3.9.1 If so, furnish particulars

.....

.....

CERTIFICATION

**I, THE UNDERSIGNED (NAME)CERTIFY THAT THE INFORMATION
FURNISHED ON THIS DECLARATION FORM IS CORRECT.**

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

.....

Signature

.....

Date

.....

Position

.....

Name of Bidder

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2011

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, 2011.

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. The value of this bid is estimated to exceed R50 000 000 (all applicable taxes included) and therefore the 90/10 system shall be applicable.

1.3. Preference points for this bid shall be awarded for:

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

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

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

1.4 Failure on the part of a bidder to fill in and/or to sign this form and submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS) or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or an Accounting Officer as contemplated in the Close Corporation Act (CCA) together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.5. The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

2. DEFINITIONS

- 2.1 “**all applicable taxes**” includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- 2.2 “**B-BBEE**” means broad-based black economic empowerment as defined in section 1 of the Broad -Based Black Economic Empowerment Act;
- 2.3 “**B-BBEE status level of contributor**” means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 2.4 “**bid**” means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
- 2.5 “**Broad-Based Black Economic Empowerment Act**” means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- 2.6 “**comparative price**” means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration;
- 2.7 “**consortium or joint venture**” 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;
- 2.8 “**contract**” means the agreement that results from the acceptance of a bid by an organ of state;
- 2.9 “**EME**” means any enterprise with an annual total revenue of R5 million or less.
- 2.10 “**Firm price**” means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 2.11 “**functionality**” means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;
- 2.12 “**non-firm prices**” means all prices other than “firm” prices;
- 2.13 “**person**” includes a juristic person;
- 2.14 “**rand value**” means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;
- 2.15 “**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;
- 2.16 “**total revenue**” bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 9 February 2007;

- 2.17 “trust” means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- 2.18 “trustee” means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

3. ADJUDICATION USING A POINT SYSTEM

- 3.1 The bidder obtaining the highest number of total points will be awarded the contract.
- 3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts;
- 3.3 Points scored must be rounded off to the nearest 2 decimal places.
- 3.4 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 3.5 However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality.
- 3.6 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

4. POINTS AWARDED FOR PRICE

4.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 points is allocated for price on the following basis:

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

Where

P_s = Points scored for comparative price of bid under consideration

P_t = Comparative price of bid under consideration

P_{\min} = Comparative price of lowest acceptable bid

5 Points awarded for B-BBEE Status Level of Contribution

- 5.1 In terms of Regulation 5 (2) and 6 (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

- 5.2 Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates.
- 5.3 Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- 5.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 5.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- 5.6 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- 5.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.
- 5.8 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

6. BID DECLARATION

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

7. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.3.1.2 AND 5.1

7.1 B-BBEE Status Level of Contribution: = (maximum of 10 or 20 point

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or an Accounting Officer as contemplated in the CCA).

8 SUB-CONTRACTING

8.1 Will any portion of the contract be sub-contracted? YES / NO (delete which is not applicable)

8.1.1 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? (Delete which is not applicable) YES / NO

9 DECLARATION WITH REGARD TO COMPANY/FIRM

9.1 Name of firm :

9.2 VAT registration number :

9.3 Company registration number :

9.4 TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
- ☐ One-person business/sole propriety
- ☐ Close corporation
- ☐ Company
- ☐ (Pty) Limited

[TICK APPLICABLE BOX]

9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

9.6 COMPANY CLASSIFICATION

- ☐ Manufacturer
- ☐ Supplier
- ☐ Professional service provider
- ☐ Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

9.7 MUNICIPAL INFORMATION

Municipality where business is situated

Registered Account Number

Stand Number

9.8 TOTAL NUMBER OF YEARS THE COMPANY/FIRM HAS BEEN IN BUSINESS?

9.9 I/we, the undersigned, who is / are duly authorized to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contribution indicated in paragraph 7 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 paragraph 7, 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 contribution 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 favorable arrangements due to such cancellation;
- (d) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, 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.

DATE:.....

ADDRESS:.....

.....

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)].

1. General Conditions

- 1.1. Preferential Procurement Regulations, 2011 (Regulation 9) makes provision for the promotion of local production and content.
- 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.
- 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.
- 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.
- 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 Error! Hyperlink reference not valid.<http://www.thedti.gov.za/industrialdevelopment/ip.jsp> at no cost.

- 1.6. A bid may be disqualified if –

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

2. Definitions

- 2.1. **“bid”** includes written price quotations, advertised competitive bids or proposals;
- 2.2. **“bid price”** price offered by the bidder, excluding value added tax (VAT);
- 2.3. **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
- 2.4. **“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;
- 2.5. **“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).
- 2.6. **“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;
- 2.7. **“local content”** means that portion of the bid price, which is not included in the imported content, provided that local manufacture does take place;
- 2.8. **“stipulated minimum threshold”** means that portion of local production and content as determined by the Department of Trade and Industry; and
- 2.9. **“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.

3. 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:

<u>Description of services, works or goods</u>	<u>Stipulated minimum threshold</u>
_____	_____ %
_____	_____ %
_____	_____ %

4. Does any portion of the services, works or goods offered have any imported content?

(Tick applicable box)

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

- 4.1 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.

The relevant rates of exchange information are accessible on **www.reservebank.co.za**.

Indicate the rate(s) of exchange against the appropriate currency in the table below (refer to Annex A of SATS 1286:2011):

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

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

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

(Tick applicable box)

YES		NO	
-----	--	----	--

- 5.1. If yes, provide the following particulars:

- (a) Full name of auditor:
- (b) Practice number:
- (c) Telephone and cell number:
- (d) Email address:

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

6. 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.

LOCAL CONTENT DECLARATION
(REFER TO ANNEX B OF SATS 1286:2011)

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)

IN RESPECT OF BID NO.

ISSUED BY: (Procurement Authority / Name of Municipality / Municipal Entity):

.....

NB

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.

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/industrialdevelopment/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:

(a) The facts contained herein are within my own personal knowledge.

(b) I have satisfied myself that

- (i) 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
- (ii) the declaration templates have been audited and certified to be correct.

(c) 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.

(d) 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.

(e) 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: _____

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.

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 Proposal Number..... at the price/s quoted. My offer/s remain 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 fulfillment 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 authorized to sign this contract.

WITNESSES

1.

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

CONTRACT FORM - RENDERING OF SERVICES

The Municipal Manager accept your bid under reference number _____
dated.....for the rendering of services indicated hereunder and/or further specified in the
annexure(s).

1. An official order indicating service delivery instructions is forthcoming.
2. 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 authorized to sign this contract.

SIGNED AT ON

NAME (PRINT)

WITNESSES

1.

SIGNATURE

OFFICIAL STAMP

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	No
4.1.1	If so, furnish particulars:		
4.2	<p>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)?</p> <p>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.</p>	Yes	No
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	No
4.3.1	If so, furnish particular		
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	No
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	No
4.7.1	If so, furnish particulars:		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM TRUE AND CORRECT.

I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all 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. take all reasonable steps to prevent such abuse;
 - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
4. This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
5. In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

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.

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.

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.

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

TAX COMPLIANCE WITH SARS PIN

PROOF OF COMPANY REGISTRATION

CENTRAL DATABASE SUMMARY REPORT (CSD)

**CERTIFIED COPIES OF IDENTITY DOCUMENT OF
DIRECTORS/OWNERS/MEMBER/SHAREHOLDERS**

**PROOF OF PLANT OWNERSHIP
AND OR
LEASE AGREEMENT OF PLANT**

ANNEXURE C

ANNEXURE E

GENERAL CONDITIONS OF CONTRACT

1. GENERAL

- 1.1 All bids must be submitted in **handwriting** on the official forms supplied (**not to be re-typed**)
- 1.2 No alterations /corrections to the information in the document (including pricing) may be performed by erasing or using masking fluid / tape (Tipp-Ex or similar) on any submitted page or by pasting another page over it with glue. Alterations/corrections may only be executed as follows:
 - 1.2.1 Strike a line through the incorrect information, write the corrected information as appropriate (under, above or next to the information to be corrected), and initial at every alteration/correction.
 - 1.2.2 Bid submissions with material alterations / corrections not in compliance with the requirements as described above, will be rejected.
 - 1.2.3 All alterations to the pricing schedule / Bill of Quantities (BoQ) and / or any pricing not in accordance with clause 1.3.1 above, will be rejected.

2. PRICING

- 2.1 Rates and prices offered by the bidder must be written onto the pricing schedule or form of offer of this document by hand, completed in full and signed by the duly authorised signatory.
- 2.2 All prices shall be quoted in South African currency, and be **INCLUSIVE of VAT**.
- 2.3 Bid prices must include all expenses, disbursements and costs (e.g. transport, accommodation etc.) which may be required for the execution of the bidder "s obligations in terms of the Contract.
- 2.4 Bid prices shall cover the cost of all general risks, liabilities and obligations set forth or implied in the Contract, as well as overhead charges and profit (in the event that the bid is successful), unless otherwise specified.
 - 2.4.1 All bid prices will be final and binding. A bid will not be invalidated if the amount in words and the amount in figures do not correspond.
 - 2.4.2 In which case the amount in words shall be read out at the bid opening and shall be deemed to be the bid amount; therefore, where there is a discrepancy between the amount in figures and the amount in words, the amount in words shall apply:-

2. FORWARD EXCHANGE RATE COVER

- 3.1 In the event of price(s) based on the exchange rate, the successful bidder(s) will be required to obtain exchange rate cover in order to protect the Municipality against exchange rate variations.
- 3.2 The bidder must provide proof of forward exchange rate cover within 14 days after an order was placed.
- 3.3 If proof that forward exchange rate cover was taken out within 14 days after the order was placed but is not submitted to the Municipality along with the invoice, the contract price adjustment will not be accepted and the contract may be cancelled.

4. SUBMITTING A BID:

- 4.1. Sealed bids, with the "**Bid Number and Title**" clearly endorsed on the envelope, must be deposited in the relevant **bid box** as indicated in the notice of the bid, **on or before the closing date and time** of the bid.
- 4.2. The bid boxes are in the reception at Inkosi Langalibalele Local Municipal Victoria Street Estcourt 3310
- 4.3. A specific bid box is provided for each bid to be deposited into and no bid will be considered which, subsequent to the closing date and time for that specific bid, is found in another box.
- 4.4. The bid box deposit slot is 28cm x 2.5cm.
- 4.5. Mailed, telegraphic, e-mailed or faxed bids **will not be accepted**.

5. BID OPENING

- 5.1 Bids shall be opened in public at the Inkosi Langelibalele Offices as soon as possible subsequent to the closing time for the receipt of bids.
- 5.2 The Municipality will record in a register (which is open to public inspection) and publish on its website, the details of bids received by the closing date and time.
- 5.3 Any bid received after the appointed time for the closing of bids **shall not be considered** but shall be filed unopened with the other bids received, which bid(s) can be returned to the bidder at his request and cost.

6. BIDS WILL BE EVALUATED AND ADJUDICATED ACCORDING TO THE FOLLOWING CRITERIA:

- 6.1. Relevant specifications;
- 6.2. Value for money;
- 6.3. Capability to execute the contract; and
- 6.4. PPPFA & associated regulations.

7. TEST FOR RESPONSIVENESS:

- 7.1 A Bids will be considered non-responsive if: ;;
 - 7.1.1 The bid is not in compliance with the specifications, if the bidder has not fully completed and signed where required, all the returnable documents as listed in the bid document; and/or
 - 7.1.2 The bidder has failed to clarify or submit any supporting documentation within 2-5 business days of being requested to do so in writing.
- 7.2 The Municipality reserves the right to accept or reject:
 - 7.2.1 Any variation, deviation, bid offer, or alternative bid offer; may cancel the bidding process and reject all bid offers at any time before the formation of a contract. The MUNICIPALITY shall not accept or incur any liability to a bidder for such cancellation and/or rejection, and will only provide written reasons for such action upon receipt of a written request to do so;.
 - 7.2.2 a bid offer which does not, in the Municipality's opinion, materially and/or substantially deviate from the terms, conditions and specifications of the bid document.
 - 7.2.3 the whole bid or part of a bid or any item or part of any item, or to accept more than one bid (in the event of a number of items being offered), and the Municipality is not obliged to accept the lowest or any bid.
- 7.3 The bidder shall declare ALL the Municipal account numbers for which the enterprise or the proprietors or directors in their personal capacity/capacities is/ are responsible or co-responsible for;.
 - 7.3.1 The Municipality has the right to summarily disqualify any bidder who, either at the date of submission of a bid or at the date of its award, is indebted to the Municipality in respect of any municipal rates and taxes or municipal service charges for more than three months. However, an agreement signed by the bidder whereby the bidder agrees that a percentage or fixed amount at the discretion of the municipality, be deducted from payments due to him/her for this bid, until the debt is paid in full, will also be accepted by the Municipality.
 - 7.3.2

8. INCORRECT INFORMATION

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

9. WITHDRAWAL OF BID DURING AND AFTER THE SCM PROSES:

When a bidder withdraws his/her bid during the SCM bidding process, it must be in writing, prior to the award of the bid, of which Inkosi Langalibalele Municipality holds the right to accept or reject with or without a claim for any damages.

When a bidder withdraws or cancels the contract after award of the bid to the particular winner of the bid, the awarded bidder will be held responsible for any damages or administrative expenses incurred prior to the award of the bid.

10. INVOICES

All invoices must be forwarded to the following address:

Inkosi Langalibalele Local Municipal

Victoria street

Estcourt

3310

10.1 Legal requirements for invoices

10.1.1. Please ensure that your tax invoices comply with the requirements as stipulated by SARS (VAT Act No 89 of 1991), i.e.:

10.1.1.1. Ordinary invoice (not VAT Registered)

- a) The word „**INVOICE**“ in a prominent place
- b) Official invoice number and date of transaction
- c) Trade name, legal name, registration number (if any) and address of supplier
- d) The Official order number of Inkosi Langalibalele Municipality is compulsory – non-compliance – no payment
- e) The Municipality's name and postal address (Inkosi Langalibalele PO box 15 Estcourt 3310)
- f) Accurate description of goods and / or services supplied / provided.
- g) Unit of measurement of goods or services supplied
- h) Price

10.1.1.2. VAT/Tax invoice (VAT registered) An example of a valid Tax Invoice is attached as **Annexure C**.

- a) Word „**TAX INVOICE**“ in a prominent place
- b) Trade, legal name and registration number (if any) of supplier
- c) Address and VAT number of supplier
- d) The official invoice number and date of invoice
- e) The Official order number of Inkosi Langalibalele Municipality is compulsory – non-compliance – no payment
- i) The Municipality's name and postal address ((Inkosi Langalibalele PO box 15 Estcourt 3310)
- f)) and VAT registration number
- g) Accurate description of goods and / or services supplied / provided.
- h) Unit of measurement of goods or services supplied
- i) Price and VAT amount

11. PAYMENT TERMS

- 11.1. It is the policy of the Inkosi Langalibalele Municipality to pay all creditors by means of electronic bank transfers.
- 11.2. Creditors will be paid within 30 days after receipt of an invoice and statement for the month in question, detailing all invoices during that month and reflecting the total amount due by the Municipality. In exceptional circumstances, the Municipality may, at its discretion, deviate from the above.
- 11.3. In order to qualify for a weekly payment, a supplier must be registered as a **Survivalist Enterprise / Micro Enterprise**¹ on the Municipality's supplier database. It must however be noted, that a weekly payment is not a right in terms of this Policy. Survivalist and Micro enterprises may request such payments which may then be made at the discretion of the Municipality. These weekly payments will be reviewed after a period of 12 months of doing business with the Municipality, as it may be assumed that the enterprise will, by that stage be self-sustainable. It is the obligation of the supplier to arrange earlier payments with the creditors department.

12. PRECEDENCE OF TERMS AND CONDITIONS

- 12.1. Precedence of terms and conditions in documentation during the bidding process and after award, resulting in an formal agreement:
 - 12.1.1. The following precedence will apply to documentation and legislation during the bidding process and after award of a bid to a bidder:
 - 12.1.1.1. Municipal Financial Management Act 56 of 2003
 - 12.1.1.2. Municipal Supply Chain Management Regulations
 - 12.1.1.3. Supply Chain Management policy
 - 12.1.1.4. Specifications of the bid document
 - 12.1.1.5. Special Conditions of Contract
 - 12.1.1.6. General Conditions of Contract
 - 12.1.1.7. Service Level Agreements/ Service Delivery Agreements
 - 12.1.1.8. Memorandum of Understanding/ Memorandum of Agreements

¹ SURVIVALIST ENTERPRISES / MICRO ENTERPRISES ARE DEFINED AS FOLLOWS:

Survivalist enterprises are generally defined as businesses set up by people unable to find a paid job or get into an economic sector of their choice. Income generated from these activities usually falls far short of even a minimum income standard, with very little capital invested, virtually no skills training in the particular field and only limited opportunities for growth into a viable business. This category is characterised by poverty and the attempt to survive.

Micro enterprises are very small businesses, often involving only the owner, some family members and at the most one or two paid employees. They usually lack „formality“ in terms of business licenses, value-added tax (VAT) registration, formal business premises, operating permits and accounting procedures. Most of them have a limited capital base and only rudimentary technical or business skills among their operators. However, many micro enterprises advance into viable small businesses. Earning levels of micro enterprises differ widely, depending on the particular sector, the growth phase of the business and access to relevant support.