EMADLANGENI LOCAL MUNICIPALITY
BID DOCUMENT

BID REFERENCE: MN02/2026-27

BID DESCRIPTION: APPOINTMENT OF A PANEL OF DEBT COLLECTORS FOR THE COLLECTION OF ARREARS AMOUNTS DUE TO COUNCIL FOR A PERIOD OF 36 MONTHS

CLOSING DATE & TIME:	**18 August 2026 at 12:00**

SERVICE PROVIDER'S DETAILS

Name of Service Provider	:	
CSD Master Registration Number	:	
Tender Offer	:	..................**% Commission**
Contact Person	:	
E-mail Address	:	
Telephone Number	:	( )Code
Fax Number	:	( )Code
Physical Address	:	

NOTE:
The Service Provider shall be deemed to have satisfied himself/herself/themselves as to all the conditions and circumstances affecting this bid, including the physical aspects of working areas, and by the submission of a bid, will confirm acceptance of the conditions and circumstances applicable to any subsequent contract.

The Service Provider shall be deemed to have satisfied himself/herself/themselves as to all the conditions and circumstances affecting this bid, including the physical aspects of working areas, and by the submission of a bid, will confirm acceptance of the conditions and circumstances applicable to any subsequent contract.

EMADLANGENI LOCAL MUNICIPALITY

INVITATION TO BID

Bid Number	Description	Tender Document Availability	Tender Document Amount	Tender Closure
MN02/2026-27	APPOINTMENT OF A PANEL OF DEBT COLLECTORS FOR THE COLLECTION OF ARREARS AMOUNTS DUE TO COUNCIL FOR A PERIOD OF 36 MONTHS	From 22 July 2026 to Closing Date	R1 393,75	18 August 2026 @ 12h00

Bids are hereby invited from qualified and experienced bidders for the provision of the abovementioned tender for the Emadlangeni Local Municipality.

Evaluation Criteria:

- **MN02/2026-27** shall be evaluated on a One Stage Evaluation System. Stage 1 being Functionality in which only bidders who score a minimum of 70 points out of 100 points will be considered as part of the panel.
- Once the pool for the panel of service providers has been established, work shall be allocated to bidders using Stage 2 which will be based on the 80/20 Preferential Point System of the Preferential Procurement Framework Act Regulations 2000, (Act No. 5 of 2000) and the amended PPPFA regulation 2022, with 80 for price and 20 for specific goals.

Bidders are required to submit a valid Tax compliant status, Proof of registration on central supplier database and company registration certificate must be submitted together with the tender document. Service Providers are encouraged to register on the Municipality's Database.

Tender documents will be available at Emadlangeni Municipality cashier's desk at a non-refundable fee at 34 Voor Street, Utrecht, 2980. Bid documents can also be downloaded in the municipal website (www.emadlangeni.gov.za) and on e-tenders at no charge. Completed bid documents in sealed envelopes must be deposited in the Municipality's tender box located at the reception of the municipality on or before the closing date at **12h00 pm**, whereby bids will be opened to the public. Enquiries regarding the bidding procedures may be directed to the **SCM Office** on (034 331 3041 / scm@emadlangeni.gov.za) and technical enquiries related to **MN02/2026-27** may be directed to: Mrs N.S Nene on (034 331 3041 / nenen@emadlangeni.gov.za).

Emadlangeni municipality is not bound to accept the lowest or any bid and reserves the right to accept the whole or part of a bid.

....

GN Mavundla

Municipal Manager

INDEX

SECTION A **MBD1**

PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (EMADLANGENI MUNICIPALITY)					
BID NUMBER:	MN02/2026-27	CLOSING DATE:	18 August 2026	CLOSING TIME:	12:00 PM
DESCRIPTION	APPOINTMENT OF A PANEL OF DEBT COLLECTORS FOR THE COLLECTION OF ARREARS AMOUNTS DUE TO COUNCIL FOR A PERIOD OF 36 MONTHS				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).					

RESPONSE FOR BID DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT

34 VOOR STREET
UTRECHT
2980

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:	

ARE YOU THE ACCREDITED REPRESENTATIVE **IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?**	☐Yes ☐No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR **THE GOODS /SERVICES /WORKS OFFERED?**	☐ Yes ☐ No [IF YES, ANSWER PART B:3]
TOTAL NUMBER OF ITEMS OFFERED		**TOTAL BID OFFER**	**.............% commission**
SIGNATURE OF BIDDER	………………………………	**DATE**	
CAPACITY UNDER WHICH THIS BID IS SIGNED			

SCM PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	
DEPARTMENT	**BTO (Supply Chain Management Unit)**	DEPARTMENT	**BTO (Revenue Unit)**
CONTACT PERSON	**Mr S.I Mpanza**	CONTACT PERSON	**Mrs N.S Nene**
TELEPHONE NUMBER	**034 331 3041**	TELEPHONE NUMBER	**034 331 3041**
FACSIMILE NUMBER	**N/A**	FACSIMILE NUMBER	**N/A**
E-MAIL ADDRESS	**scm@emadlangeni.gov.za**	E-MAIL ADDRESS	**nenen@emadlangeni.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 GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.

1.4. **JOINT VENTURE**

- A TRUST, CONSORTIUM OR JOINT VENTURE MUST SUBMIT A CONSOLIDATED B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE FOR EVERY SEPARATE BID.
- JOINT VENTURE MUST SUBMIT A CONSOLIDATED BANK ACCOUNT ACCOUNT WITH A BANK STAMP.

1.5 **TENDERS ARE TO BE EVALUATED BASED FUNCTIONALITY CRITERIA AND ON 80/20 PREFERENTIAL POINT SYSTEM, 80 POINTS FOR PRICE AND 20 POINTS OF THE REVISED PREFERENTIAL PROCUREMENT POLICY FRAMEWORK 2022.**

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)?	☐ YES ☐ NO
3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?	☐ YES ☐ NO
3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	☐ YES ☐ NO
3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	☐ YES ☐ NO
3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	☐ YES ☐ NO

IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.

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

SIGNATURE OF BIDDER: ……………………………………………

CAPACITY UNDER WHICH THIS BID IS SIGNED: ……………………………………………

DATE: ……………………………………………

SECTION B

MBD 4

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state[1].

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, hareholder[2]):………………………..

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. ……………………………………………………………………

………

[1]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.

[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 directors trustees, managers, principle shareholders or stakeholders in service of the state? YES / NO

3.13.1 If yes, furnish particulars.

....

....

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

3.14.1 If yes, furnish particulars:

....

....

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

Full Name	Identity Number	State Employee Number

....	....
Signature	**Date**
....	....
Capacity	**Name of Bidder**

SECTION C

MBD 6.1

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

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1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

- 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 To be completed by the organ of state

a) The applicable preference point system for this tender is the 80/20 preference point system.

b) The 80/20 preference point system will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

(a) Price; and

(b) Specific Goals.

1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	**80**
SPECIFIC GOALS	**20**
Total points for Price and SPECIFIC GOALS	**100**

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

(a) **"tender"** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;

(b) **"price"** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;

(c) **"rand value"** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

(d) **"tender for income-generating contracts"** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and

(e) **"the Act"** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

80/20 or **90/10**

$$Ps = 80\left(1 - \frac{Pt - P\,min}{P\,min}\right) \quad \text{or} \quad Ps = 90\left(1 - \frac{Pt - P\,min}{P\,min}\right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

3.2. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

3.2.1. POINTS AWARDED FOR PRICE

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

80/20 or **90/10**

$$Ps = 80\left(1 + \frac{Pt - P\,max}{P\,max}\right) \text{ or } \qquad Ps = 90\left(1 + \frac{Pt - P\,max}{Pmax}\right)$$

Where

Ps	=	Points scored for price of tender under consideration
Pt	=	Price of tender under consideration
Pmax	=	Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

(a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or

(b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Table 1: Specific goals for the tender and points claimed are indicated per the table below.

(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.

Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)	Required verification document(s)
Preference Goals 1: RDP Goals (maximum points 20)			
Promotion of Enterprises Owned located within KZN	20		CIPC registration certificate (Companies and Intellectual Property Commission) and Detailed CSD report. Certified Copy RSA Identity Document of the director(s). Proof of Residence/ Municipal Accounts
Enterprises located outside KZN Province	10		CIPC registration certificate (Companies and Intellectual Property Commission) and Detailed CSD report. Certified Copy RSA Identity Document of the director(s). Proof of Residence/ Municipal Accounts

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm………………………………………………………………………

4.4. Company registration number: ……………………………………………………………

4.5. TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium
One-person business/sole propriety
Close corporation

Public Company
Personal Liability Company
(Pty) Limited
Non-Profit Company
State Owned Company
[TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I 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 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;

iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –

(a) disqualify the person from the tendering 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 tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted 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, if deemed necessary.

....

SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME: ....

DATE: ....

ADDRESS: ....

....

....

....

SECTION D

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

(To be completed by Bidder.)

1. This Section must form part of all bids invited.

2. It serves as a declaration to be used by Municipality 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 disregarded if that bidder, or any of its directors have a abused the Municipality's supply chain management system;

   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	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? (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 *audi alteram partem* rule was applied). **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.**	Yes ☐	No ☐
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 ☐	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 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 ☐	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 FORMIS 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**

SECTION E

CERTIFICATE OF INDEPENDENT BID DETERMINATION

1 This Municipal Bidding Document (MBD) must form part of all bids[1] 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.

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

____

(Bid Number and Description)

in response to the invitation for the bid made by:

____

(Name of Municipality / Municipal Entity)

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of: ____that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:

   (a) has been requested to submit a bid in response to this bid invitation;

   (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and

   (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium[3] 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

SECTION F

EMADLANGENI MUNICIPALITY

RESPONSIVENESS AND EVALUATION CRITERIA

1. RESPONSIVENESS CRITERIA

The Emadlangeni Municipality may not consider any Bid unless it meets the following responsiveness criteria:

The Bid must be properly received in a sealed envelope clearly indicating the description of the service and the Bid number for which the Bid is submitted.

The Bid must be deposited in the relevant Bid box as indicated on the notice of the Bids invitation on or before the closing date and time of the Bid.

A valid Tax Compliance Status or PIN must be submitted with the Bid on or before the closing time and date of the Bid and the bidder's name is the name of the taxpayer as reflected on the Tax Compliance Status issued by the South African Revenue Services.

The required documentation must be attached to substantiate points for specific goals.

A Joint Venture Agreement, where applicable, which has been properly signed by all parties must be submitted.

Proof of payment of municipal rates and taxes must be submitted.

The bid must comply with the requirements of the bid and technical specifications.

The bid must adhere to pricing Instructions where the pricing schedule should be completed correctly and ensure that it is signed, witnessed and dated.

The bidder must have financial ability to execute the contract.

The bid must comply in full and observe the requirements of the Notice to Bidders.

2. EVALUATION OF BIDS

All Bids received shall be evaluated in terms of the Supply Chain Management Regulations, Emadlangeni Municipality's Supply Chain Management Policy, the Preferential Procurement Policy Framework Act, and other applicable legislations.

The Council reserves the right to accept all, some, or none of the Bids submitted – either wholly or in part – and it is not obliged to accept the lowest Bid.

By submitting this Bid, the bidder authorises the Council or its delegate(s) to carry out any investigation deemed necessary to verify the correctness of the statements and documents submitted and that such documents reasonably reflect the ability of the Bidder to provide the goods and services required by the Council.

PLEASE NOTE

1. **The Municipal Manager may cancel a contract awarded to a person if:**

   a) The person committed a corrupt or fraudulent act during the procurement process or in the execution of the contract, or

   b) An official or other role player committed any corrupt or fraudulent act during the procurement process or in the execution of the contract that benefited that person.

2. **The Municipal Manager may reject the Bid or quote of any person if that person or any of its directors has:**

   a) Failed to pay municipal rates and taxes or municipal service charges and such rates, taxes and charges are in arrears for more than three months;

   b) Failed, during the last five years, to perform satisfactorily on a previous contract with the Emadlangeni Municipality or any other organ of State after written notice was given to that Bidder that performance was unsatisfactory;

   c) Abused the supply chain management system of the Municipality or have committed any improper conduct in relation to this system;

   d) Been convicted of fraud or corruption during the past five years;

   e) Wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or

   f) 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) or has been listed on National Treasury's database as a person prohibited from doing business with public sector

SECTION G

SPECIAL INSTRUCTIONS AND NOTICES TO BIDDERS REGARDING THE COMPLETION OF BIDDING FORMS

PLEASE NOTE THAT THIS BID IS SUBJECT TO MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003, THE PREFERENTIAL PROCURMENENT POLICY FRAMEWORK ACT AND THE GENERAL CONDITIONS OF CONTRACT.

- Unless inconsistent with or expressly indicated otherwise by the context, the singular shall include the plural and vice versa and with words importing the masculine gender shall include the feminine and the neuter.
- Under no circumstances whatsoever may the bid forms be retyped or redrafted. Photocopies of the original bid documentation may be used, but an original signature must appear on such photocopies.
- The bidder is advised to check the number of pages and to satisfy himself that none are missing or duplicated.
- Bids submitted must be complete in all respects.
- Bids shall be lodged at the address indicated not later than the closing time specified for their receipt, and in accordance with the directives in the bid documents.
- Each bid shall be addressed in accordance with the directives in the bid documents and shall be lodged in a separate sealed envelope, with the name and address of the bidder, the bid number and closing date indicated on the envelope. The envelope shall not contain documents relating to any bid other than that shown on the envelope. If this provision is not complied with, such bids may be rejected as being invalid.
- All bids received in sealed envelopes with the relevant bid numbers on the envelopes are kept unopened in safe custody until the closing time of the bids. Where, however, a bid is received open, it shall be sealed. If it is received without a bid number on the envelope, it shall be opened, the bid number ascertained, the envelope sealed and the bid number written on the envelope.
- A specific box is provided for the receipt of bids, and no bid found in any other box or elsewhere subsequent to the closing date and time of bid will be considered.
- No bid sent through the post will be considered if it is received after the closing date and time stipulated in the bid documentation, and proof of posting will not be accepted as proof of delivery.
- No bid submitted by telefax, telegraphic or other electronic means will be considered.
- Bidding documents must not be included in packages containing samples. Such bids may be rejected as being invalid.
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- Any alteration made by the bidder must be initialed.

- Use of correcting fluid is prohibited
- Bids will be opened in public as soon as practicable after the closing time of bid.
- Where practical, prices are made public at the time of opening bids.
- If it is desired to make more than one offer against any individual item, such offers should be given on a photocopy of the page in question. Clear indication thereof must be stated on the schedules attached.
- All quotations to be inclusive of V.A.T. or qualified as a "Non Vendor".
- If a product are specified on the contract document, any other product that are equally approved can be used but should be stated in writing on the quotation, accompanied by all relevant specifications and guarantees.
- The successful bidder may not cede or transfer any rights and/or claims in respect of moneys payable or which may become payable under this contract. No such session or delegation will be acknowledged.
- Each Bidder must satisfy himself that his set of document is complete. No responsibility for any discrepancy or obscurity will be accepted.
- The bid will remain valid for a period of ninety (90) days from the closing date of the bid.
- All entries made in the tender documents must be made in BLACK INK.
- The successful bidder will supply for the municipality from the receipt of the first official order/ appointment letter and prices offered on the quotation will be applicable until this date.
- The successful bidder will be expected to deliver all goods within 7 days of receipt of official order/ appointment letter.
- No payments for orders shall be made if a valid and original tax invoice is not submitted to the municipality.
- Payment shall be made within 30 days of receipt of an original tax invoice.

SECTION H

REGISTRATION IN THE SUPPLIERS DATABASE

1. In terms of the Supply Chain Management Policy, all suppliers of goods and services to the Municipality are required to register on the Central Suppliers Database & Municipal Suppliers Database.

2. If a business is registered on the Database and it is found subsequently that false or incorrect information has been supplied, then the Municipality may, without prejudice to any other legal rights or remedies it may have to cancel a bid or a contract awarded to such supplier, and the supplier would become liable for any damages if a less favorable bid is accepted or less favorable arrangements are made.

3. **The same principles as set out in paragraph 2 above are applicable should the supplier fails to request updating of its information on the Suppliers Database, relating to changed particulars or circumstances.**

4. Application for registration must be submitted to the Municipality. IF THE SUPPLIER IS NOT REGISTERED AT THE CLOSING TIME OF BID, THE SUPPLIER IS REQUIRED TO SUBMIT A COPY OF THE REGISTRATION APPLICATION FORM, TOGETHER WITH THE BID DOCUMENTATION, TO THE RESPECTIVE DEPARTMENT INVITING BIDS.

SECTION I

GENERAL CONDITIONS OF CONTRACT

TABLE OF CLAUSES:

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General Conditions of Contract

1. Definitions

1. 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 supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

1.3 "Contract price" means the price payable to the supplier 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 of 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 consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the goods are so delivered and a valid receipt is obtained.

1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.

1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

1.13 "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 supplier 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 supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the goods covered by the bid will be manufactured.

1.17 “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 or 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 organization purchasing the goods.

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
GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT

1.25 “Supplier” means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.

1.26 “Tort” means in breach of contract.

1.27 “Turnkey” means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.

1.28 “Written” or “in writing” means hand-written in ink or any form of electronic or mechanical writing.

2. Application

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

2.2 Where applicable, special conditions of contract are also laid down to cover specific goods, services or works.

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

3. General

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

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

4. Standards

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

4. Use of contract documents and information; inspection

5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any 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 supplier 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 supplier shall not, without the purchaser's prior written consent, make use of any document or Information mentioned in GCC clause 5.1 except for purposes of performing the contract.

5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.

5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent Rights

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

6.2 When a supplier developed documentation / projects for the municipality / municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality / municipal entity.

7. Performance

7.1 Within thirty (30) days of receipt of the notification of contract security award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

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

7.3 The performance security shall be denominated in the currency of the contract or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

(a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or

(b) a cashier's or certified cheque.

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

8. Inspections, tests and analyses

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

8.2 If it is a bid condition that goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.

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

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

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

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

8.7 Any contract goods may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with goods, which do comply with the requirements of the contract. Failing such removal the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods as may be necessary at the expense of the supplier.

8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 22 of GCC.

9. Packing

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

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

10. Delivery and documents

10.1 Delivery of the goods and arrangements for shipping and clearance obligations, shall be made by the supplier in accordance with the terms specified in the contract.

11. Insurance

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

12. Transportation

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

13. Incidental Services

13.1 The supplier may be required to provide any or all of the following services, including additional services, if any:
a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
(d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
(e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start up, operation, maintenance, and/or repair of the supplied goods.

13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

14. Spare parts

14.1 As specified, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

(a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and;

(b) in the event of termination of production of the spare parts:

(i) advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and

(ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser' specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise.

15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.

15.4 Upon receipt of such notice, the supplier shall, within the period specified and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment

16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified.

16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.

16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.

16.4 Payment will be made in Rand unless otherwise stipulated

17. Prices

17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized or in the purchaser's request for bid validity extension, as the case may be.

18. Variation Orders

18.1 In cases where the estimated value of the envisaged changes in purchase does not vary more than 15% of the total value of the original contract, the contractor may be instructed to deliver the goods or render the services as such. In cases of measurable quantities, the contractor may be approached to reduce the unit price, and such offers may be accepted provided that there is no escalation in price.

19. Assignment

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

20. Subcontracts

20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under these contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

21. Delays in the supplier's performance

21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.

21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

21.3 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the goods are required, or the supplier's services are not readily available.

21.4 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 22.2 without the application of penalties.

21.5 Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without cancelling the contract, be entitled to purchase goods of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23. Termination for Default

23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may for default terminate this contract in whole or in part:

(a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
(b) if the supplier fails to perform any other obligation(s) under the contract; or

(c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner, as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the supplier as having no objection and proceed with the restriction.

23.5. Any restriction imposed on any person by the purchaser will, at the discretion of the purchaser, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the purchaser actively associated.

23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:

(i) the name and address of the supplier 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 suppliers or persons prohibited from doing business with the public sector.

23.7. If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for 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 anti-dumping 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 supplier to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the supplier in regard to goods or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

25. Force Majeure

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for insolvency

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

27. Settlement of Disputes

27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

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

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

(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
(b) the purchaser shall pay the supplier any monies due the supplier for goods delivered and / or services rendered according to the prescripts of the contract.

28. Limitation of Liability

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

(a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and
(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

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.

31. Notices

31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice.

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

32. Taxes and duties

32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid SARS must have certified that the tax matters of the preferred bidder are in order.

32.4 No contract shall be concluded with any bidder whose municipal rates and taxes and municipal services charges are in arrears for more than 3 months.

33. Transfer of contracts

33.1 The contractor shall not abandon, transfer, cede assign or sublet a contract or part thereof without the written permission of the purchaser

34. Amendment of contracts

34.1 No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing, shall also be in writing.

SECTION J

CONDITIONS OF BID

1. I/We hereby bid to supply all or any of the supplies and/or to render all or any of the services described in the attached documents to the Emadlangeni Municipality (hereinafter called the "Municipality") on the terms and conditions and be in accordance with the specifications stipulated in the bid documents (and which shall be taken as part of and be incorporated into this bid) at the prices and on the terms regarding time for delivery and/or execution inserted therein.

2. I/we agree that:

   (a) the offer herein shall remain binding upon me and open for acceptance by the Municipality during the validity period indicated and calculated from the closing time of the bid;

   (b) this bid and its acceptance shall be subject to Local Government Municipal Finance Management Act, 2003, the KwaZulu-Natal Supply Chain Management Policy Framework, the Provincial Treasury issued Practice Notes, and the General Conditions of Contract, with which I/we am fully acquainted;

   (c) if I/we withdraw my bid within the period for which I/we have agreed that the bid shall remain open for acceptance, or fail to fulfill the contract when called upon to do so, the Municipality may, without prejudice to its other rights, agree to the withdrawal of my bid or cancel the contract that may have been entered into between me and the Municipality. I/we will then pay to the Municipality any additional expenses incurred by the Municipality having either to accept any less favorable bid or, if fresh bids have to be invited, the additional expenditure incurred by the invitation of fresh bids and by the subsequent acceptance of any less favorable bid. The Municipality shall have the right to recover such additional expenditure by set-off against monies which may be due to me under this or any other bid or contract or against any guarantee or deposit that may have been furnished by me or on my behalf for the due fulfillment of this or any other bid or contract and pending the ascertainment of the amount of such additional expenditure to retain such monies, guarantee or deposit as security for any loss the Province may sustain by reason of my default;

   (d) if my bid is accepted, the acceptance may be communicated to me by registered post, and that the South African Post Office Limited shall be treated as delivery agent to me;

   (e) the law of the Republic of South Africa shall govern the contract created by the acceptance of my bid and I choose *domicilium citandi et executandi* in the Republic at (full physical address):

   ....

   ....

4. I/we furthermore confirm that I/we have satisfied myself as to the correctness and validity of my bid: that the price(s), rate(s) and preference quoted cover all of the work/item(s) and my obligations under a resulting contract, and I accept that any mistakes regarding the price(s) and calculations will be at my risk.

5. I/we hereby accept full responsibility for the proper execution and fulfillment of all obligations and conditions devolving on me under this agreement, as the Principal(s) liable for the due fulfillment of this contract.

6. I/we agree that any action arising from this contract may in all respects be instituted against me and I/we hereby undertake to satisfy fully any sentence or judgment which may be pronounced against me as a result of such action.

7. I/we confirm that I/we have declared all and any interest that I or any persons related to my business has with regard to this bid or any related bids by completion of the Declaration of Interest Section.

SECTION K

MBD 3.3

PRICING SCHEDULE

(Professional Services)

Name of Bidder:……………………………………	Bid Number: …… **MN02/2026-27**……….
Closing Time: ……**12h00**……………………	Closing Date ……**18 August 2026** …

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

ITEM NO: **MN02/2026-27** DESCRIPTION: **APPOINTMENT OF A PANEL OF DEBT COLLECTORS FOR THE COLLECTION OF ARREARS AMOUNTS DUE TO COUNCIL**

BID PRICE IN

RSA CURRENCY

**(ALL APPLICABLE TAXES INCLUDED)

1. The accompanying information must be used for the formulation of proposals.

2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including

   all expenses inclusive of all applicable taxes for the project. R………………………

3. PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)

4. PERSON AND POSITION HOURLY RATE DAILY RATE

-- R-- ------

-- R-- ------

-- R-- ------

--- R---

--- R---
------

5. PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

-- R------------------------------- --------------------------- days

-- R------------------------------- --------------------------- days

-- R------------------------------- --------------------------- days

-- R------------------------------- --------------------------- days

5.1 Travel expenses (specify, for example rate/km and total km, class of airtravel, etc.). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
---	....	....	R...................
---	....	....	R...................
---	....	....	R...................
---	....	....	R...................

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

5.2 Other expenses, for example accommodation (specify, eg. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT

--	....	....	R..................
--	....	....	R..................
--	....	....	R..................
--	....	....	R..................

TOTAL: R...

6. Period required for commencement with project after

   acceptance of bid ....

7. Estimated man-days for completion of project ....

8. Are the rates quoted firm for the full period of contract? ....*YES/ NO.

9. If not firm for the full period, provide details of the basis on which

adjustments will be applied for, for example consumer price index.......................................

....

....

....

SPECIFICATION:

1.0 SCOPE OF WORKS

SCOPE OF WORKS

3.1.1 Emadlangeni Local Municipality has an approved Credit Control and Debt Collection Policy (2026/27), which cater for indigent relief and prescribe graduated internal collection action before external legal intervention. In terms of Section 96 of the Local Government: Municipal Systems Act 32 of 2000 (Systems Act), the Municipality is obligated to collect all money that is due and payable to it. The Municipality's Credit Control and Debt Collection Policy provides that internal recovery steps are exhausted within the first 30 to 60 days. Debtors whose accounts remain outstanding beyond 90 days are handed over to an external panel of debt collectors.

3.1.2 In accordance with the Municipality's Bad Debt Write-Off and Impairment of Debtors Policy (2026/27) and GRAP 104, provision for doubtful debts is made at year-end on the following basis: debts between 30 and 60 days are provided for at 50%; debts exceeding 60 days are provided for at 100%; and hand-over accounts (including legal hand-overs and clearance hand-overs) are provided for at 100%. The appointed panel of debt collectors must assist the Municipality to manage and minimise these impairment categories through active and timeous collection.

3.1.3 Emadlangeni Local Municipality invites tenders from duly qualified and registered debt collection service providers to assist the Municipality with collecting revenue on overdue accounts, for a three (3) year period, on a commission basis (pre-legal activities), with disbursements for legal collection activities to be based on the Gazetted Magistrate Court Tariff and High Court Tariff as amended from time to time.

3.1.4 The service provider will perform debt collection services in accordance with a Service Level Agreement (SLA) to be concluded with Emadlangeni Local Municipality. The SLA will be governed by, and must at all times comply with, the Municipality's Credit Control and Debt Collection Policy, the Bad Debt Write-Off and Impairment of Debtors Policy, the Municipal Systems Act (Act 32 of 2000), the Municipal Finance Management Act (Act 56 of 2003), the Debt Collectors Act (Act 114 of 1998), and all other applicable legislation.

2.0 CONTACT PERSONS

2.1 For any **technical related enquiries**, please contact the project champion:
Mrs N Nene – Technical Enquiries
Contact number: 034 331 3041
E-mail: NeneN@emadlangeni.gov.za

2.2 For any **procurement related enquiries,** please contact:
Miss T Madondo
Supply Chain Management
Contact number: 034 331 3041
E-mail: madondot@emadlangeni.gov.za

3.0 ALLOCATION OF WORK

3.1 Considering paragraphs **3.1.1** to **3.1.4** below, the successful tenderer / supplier must within 30 days of the implementation of the contract have a local office within the jurisdictional area of the Emadlangeni Local Municipality. Alternative proposals will be considered at the discretion of the Emadlangeni Local Municipality.

Magistrate's Court

3.1.1 Work allocation will depend on the capacity to deliver and the success rate of the bidder, which must be to the benefit of the debtor and the Council, at Council's' sole discretion.

3.1.2 A supplier may not appoint and/or instruct an advocate on any work allocated to them without the prior written consent of the Emadlangeni Local Municipality.

High Court

3.1.3 Instructions falling within the jurisdiction of the High Court will be allocated based on the capacity to deliver and the success rate of the bidder, which must be to the benefit of the debtor and the Council, at Council's' sole discretion.

3.1.4 A supplier may not appoint and/or instruct an advocate on any work allocated to them without the prior written consent of the Emadlangeni Local Municipality.

THE SUCCESSFUL SERVICE PROVIDER(S) WILL BE EXPECTED TO PROVIDE EMADLANGENI LOCAL MUNICIPALITY WITH COMPREHENSIVE LEGAL SERVICE FOCUSING ON:

a) The Constitution
b) National Legislation
c) Local Government Legislation
d) Council Policy
e) Council resolutions
f) Code of Conduct for Attorneys as amended from time to time.

DESCRIPTION OF SERVICES REQUIRED

The successful service provider shall be required to perform the following services strictly in accordance with the Emadlangeni Local Municipality Credit Control and Debt Collection Policy (2026/27) and the Bad Debt Write-Off and Impairment of Debtors Policy (2026/27):

1. Collecting debt outstanding beyond 90 days due to Emadlangeni Local Municipality, consistent with Section 21 of the Credit Control and Debt Collection Policy.
2. Soft and hard tracing of debtors on a no-trace-no-charge basis, as required under Section 7.4 of the Bad Debt Write-Off Policy (untraceable debtors).
3. Issuing letters of demand and final demands within one (1) month of receipt of instruction, in compliance with the Policy's prescribed collection timelines.
4. Telephonic and SMS interaction with debtors, maintaining debtor dignity as required by the Credit Control and Debt Collection Policy.
5. Listing and enlisting defaulting debtors on the credit bureau where accounts are outstanding for more than 90 days, in terms of Section 29 of the Credit Control and Debt Collection Policy.
6. Negotiating and concluding formal debt repayment agreements (Credit Authorities) in accordance with Section 22 of the Credit Control and Debt Collection Policy. Payment arrangements must adhere to the minimum instalment thresholds: Residential 10% of debt plus current billing; Business 15%; Agricultural 15%; Industrial 20%; Mining 30%; State-owned entities 100%.
7. Following up on and monitoring compliance with negotiated payment agreements, and identifying defaults for prompt action.

8. Taking legal action, including summons, judgment, emolument attachment orders, and sale-in-execution proceedings, in terms of Section 21 of the Credit Control and Debt Collection Policy. Summons must be issued within three (3) months of receipt of instruction where no response to the final demand has been received.
9. Representing the Municipality in court proceedings, including actions against debtors under administration or debt review, in compliance with applicable legislation.
10. Acting on behalf of the Municipality in business rescue and liquidation matters, and registering creditor's claims in deceased and insolvent estates as required under Sections 25 and 7.3 of the respective policies.
11. Entering into section 65 arrangements in terms of the Magistrates' Court Act 32 of 1944.
12. Assisting the Municipality with the annual provision for doubtful debt statistics and reporting, in compliance with the Bad Debt Write-Off and Impairment Policy and GRAP 104, to be submitted before 30 June each year.
13. Recommending irrecoverable debts for write-off where criteria under Section 27 of the Credit Control and Debt Collection Policy and Section 7 of the Bad Debt Write-Off Policy are met (e.g. untraceable debtors, insolvent estates, balances below R100, etc.).
14. Preventing prescription of debt by instituting proceedings timeously in accordance with Section 10 of the Bad Debt Write-Off Policy and the Prescription Act 68 of 1969.
15. Ensuring all payments by debtors are directed to Emadlangeni Local Municipality's primary bank account using the correct account number as reference. The service provider may not receive payments on behalf of the Municipality.
16. Handling clearance debt in terms of Section 118 of the Systems Act (Revenue Clearance Certificates), in compliance with Section 20 of the Credit Control and Debt Collection Policy.
17. Customer data cleansing on all handed-over files, including: latest contact details (including email addresses); employment status and employer contact details; business interests (directorships); latest registered addresses for service of legal documents; and next-of-kin contact details.
18. Providing legal opinions on debt collection matters and assisting with the interpretation and implementation of new or amended legislation as and when required by the Municipality.
19. Communicating with the Municipality via an internet-based system, ensuring data transfer between the service provider's system and the Municipality's financial system.
20. Attending to any other matter at the sole discretion of the Council.

CONDITIONS OF TENDER / TERMS OF REFERENCE

21. The successful service provider, acting as agent for Emadlangeni Local Municipality, must at all times comply with the Municipality's Credit Control and Debt Collection Policy (2026/27), the Bad Debt Write-Off and Impairment of Debtors Policy (2026/27), the Municipal Systems Act 32 of 2000, the MFMA, and the Debt Collectors Act 114 of 1998.
22. Debtor dignity must be upheld at all times. Failure to uphold this requirement shall constitute a breach of contract and the contract will be cancelled.
23. Payment arrangements concluded with debtors must strictly adhere to the minimum instalment thresholds prescribed in Section 14 of the Credit Control and Debt Collection Policy (Residential 10%; Business 15%; Agricultural 15%; Industrial 20%; Mining 30%; State-owned entities 100% of debt plus current monthly billing).

24. All legal action must comply with Section 21 of the Credit Control and Debt Collection Policy. Final demands must be issued within one (1) month of receiving instruction. Summons must be issued within three (3) months where no response to the final demand has been received.
25. The service provider must take timeous action to prevent prescription of debt, in compliance with Section 10 of the Bad Debt Write-Off Policy and the Prescription Act 68 of 1969. Three-year prescription periods apply to most municipal debts.
26. The service provider must assist the Municipality in identifying debtors who may qualify for write-off under the Bad Debt Write-Off Policy (Section 7), including: untraceable debtors; insolvent or deceased estates; accounts below R100 (written off automatically after 90 days); and debtors confirmed as indigent.
27. The service provider must submit annual provision-for-doubtful-debt statistics to the Municipality, as required under the Bad Debt Write-Off Policy, before 30 June each year.
28. ALL payments are to be made directly to Emadlangeni Local Municipality's primary bank account. The service provider may not receive payments on behalf of the Municipality. Debtors must be informed to pay directly to the Municipality using their account number as reference.
29. The Municipality reserves the right to amend, suspend, or withdraw any collection instruction at its sole discretion, in accordance with the Credit Control and Debt Collection Policy.
30. The Municipality will monitor the collection-to-cost ratio of work handed over. Where costs outweigh collections, the Municipality reserves the right to withdraw the work.
31. The service provider must maintain a local office within the jurisdictional area of Emadlangeni Local Municipality within 30 days of contract commencement. Alternative proposals will be considered at the discretion of the Emadlangeni Local Municipality.
32. The service provider must conduct business during normal business hours of the Municipality and be easily accessible to debtors and municipal officials.
33. The service provider shall not settle or compromise any claim, or initiate litigation on behalf of the Municipality, without prior written approval of the Municipality.
34. Prior written permission must be obtained before appointing any Advocate, in terms of the Municipality's delegated powers.
35. Applications for rescission of judgment shall be for the cost of the debtor, unless the judgment was granted in error on the part of the Municipality.
36. Where the service provider is not capacitated to perform legal actions, it must enter into a partnership or joint venture with a registered law firm. The JV agreement must be submitted with the tender.
37. The service provider must have professional indemnity insurance sufficient to cover the value of the contract. Proof must be provided within 30 days of appointment.
38. Toward the end of the contract period, a formal handover process will be implemented in consultation with all parties to ensure continuity and prevent legal challenges.
39. Payment to the successful bidder will be on a monthly commission basis (inclusive of VAT), subject to successful collection and receipting in the Municipality's financial system. Disbursements will be based on approved Gazette Magistrate and High Court Tariffs as amended from time to time.
40. Monthly progress reports are due by the 7th of each month and must include: debtor name; reference number; municipal account number; date instruction received; value handed over; current outstanding balance; collection actions taken; payment receipts; and any other information required by the Municipality.
41. Failure to submit monthly reports may result in a delay in processing payments due to the collection agent.

7.0 COMMISSIONABLE COLLECTIONS

7.1 Commissionable collections will be considered only if the total or adjusted handover amount on date of handover is paid to Emadlangeni Local Municipality and receipted in the Emadlangeni Local Municipality's financial system.

7.2 Commissionable collections will include:

7.2.1 Amounts collected in terms of **FORMAL DEBT REPAYMENT AGREEMENT** as prescribed by the Emadlangeni Municipality will only be Commissionable if receipted and if the conditions of agreement are adhered to for the duration of agreement.

7.2.2 Amounts receipted in terms of court order and/or judgment.

7.2.3 Amounts receipted in terms of proceeds from "Sale in Execution" of movable or immovable assets.

7.3 But it will exclude:

Current Account Payment (**in the absence of a formal debt repayment agreement, a payment is deemed to be settling the current account first and the balance to the oldest debt**)

7.3.1 Any amount collected by the collection agent is more than the amount handed over or adjusted hand over amount even if such excess amount was collected because of error on the part of the Emadlangeni Local Municipality or collection agent.

7.3.2 Adjusted portion of hand-over account due to administrative, billing or account enquiry error.

7.3.3 Accounts withdrawn from hand-over process.

7.3.4 Clearance debt in terms of Section 118 of Systems Act 32 of 2000 applied for before or after hand-over for collection.

7.3.5 Prepaid Token arrear deductions

8.0 KEY DELIVERABLES

8.1 Prevention of Prescription.

8.2 Initiation of the collection process within 7 days after receiving the instruction and completing the due diligence processes.

8.3 Reduction of outstanding debt.

8.4 Customer data cleansing:

All files handed over to the debt collection agent for collection must be subjected to the process of data cleansing to obtain external debtor data such as:

- Latest contact details (including email addresses)
- Employment status (to see current employees with work contact details)
- Business interest (directorships listed under the debtors)
- Latest registered addresses (for the purpose of serving legal documents)
- Next of kin contact details

The overall proposal must incorporate data cleansing limited to debt collections purposes.

9.0 COMPLIANCE WITH LEGISLATION AND APPLICABLE STANDARDS

9.1 Tenderers shall meet responsibilities towards the public and the Council, in terms of the Occupational Health and Safety Act and all other relevant legislation governing work carried out in a public place and indemnify the Council against any claim whatsoever.

10.0 PROGRESS REPORTS

10.1 Prepare monthly progress reports on each debt handed to the tenderer(s), which will have to be provided electronically in Excel Worksheets, when so requested, to Council. The data will be as follows:

10.1.1 Debtors Name.

10.1.2 Your reference Number.

10.1.3 Debtors' Municipal Account Number.

10.1.4 Date instruction received by yourselves.

10.1.5 Value of debt handed to yourselves.

10.1.6 Current outstanding balance of debt handed over to yourselves.

10.1.7 Collection action undertaken in the month of reporting (including date), as well as columns for the previous **three (3) months** action taken, this being for comparative analysis purposes.

10.1.8 Correspondence handled with debtors

10.1.9 Comments

10.1.10 And any other additional information that may be required from time to time.

10.1.11 Receipt of payments made by debtors.

10.2 Any failure in submitting the monthly report may result in a delay in the processing of any payments due to the collection agent.

10.3 Monthly reports are due on the 7th of each month.

11.0 SPECIFIC SYSTEM REQUIREMENTS

11.1 Bidders must have a debt collection system in place. Data will be transferred between the Contractor and Emadlangeni Municipality's systems in a format to be agreed on.

11.2 It must have a built-in workflow process – the system must start at pre-determined action and follow the credit control and debt collection processes automatically.

11.3 The system should automatically diarize all actions for the prescribed periods and instruct operators accordingly.

11.4 The system must have an automatic monitoring process of actions and staff performance to identify bottlenecks and the effectiveness of every action in process.

11.5 It must contain document templates for all the necessary letters, forms, instructions and legal processes to effectively control debtors and recover arrears.

11.6 It must be flexible and allow for the customization of standard documents according to needs and for the creation of additional documents where necessary.

11.7 The system must accommodate different processes for different types of accounts.

11.8 The system must be able to generate management reports.

11.9 The complete history of the account must be on enquiry screens – copies of all documents generated and received should be available and easily accessible.

11.10 History should be kept in the system for future reference until such time that the municipality decides to delete it.

11.11 In terms of deceased estate, the bidder must be able to collect from deceased estate debtors.

11.12 The system should be user-friendly and uncomplicated.

11.13 The system should have built-in security levels and prioritization levels.

11.14 The system should cater for all credit control and debt collection functions e.g.:
11.15 Telephone and SMS warnings.
11.16 Final demands
11.17 Arrangements
11.18 Summonses
11.19 Acknowledgements of Debt
11.20 Emolument attachment orders
11.21 Judgements
11.22 Letter of Execution
11.23 Instructions to remove and sell
11.24 Prescription of debt
11.25 Sequestration, estates and liquidations
11.26 Social Assessments
11.27 Recommendations to write off
11.28 Management Reports
11.29 Daily back-ups

12.0 <u>PROVISION FOR DOUBTFUL DEBT</u>

12.1 The successful bidder must provide statistics or on request (subject to budget and approval by the Accounting Officer) perform the provision for doubtful debt annually before 30 June.

13.0 <u>OTHER VALUE ADDING MODULES</u>

13.1 Subsequent to the awarding of the tender as per above specifications the preferred bidder will be afforded the opportunity to present supplementary modules or solutions to increase the collection rate as well as the overall customer relations. (subject to budget and approval by the Accounting Officer)

14.0 <u>WITHDRAWAL OF INSTRUCTIONS</u>

14.1 Emadlangeni Instructions

14.1.1 The Emadlangeni Local Municipality may at any time instruct the collection agent to cease proceedings against any debtor and withdraw any such instruction in respect of the collection of amount owing by any debtor.

14.1.2 The Emadlangeni Local Municipality will not be required to submit reasons to the collection agent for withdrawal instruction.

14.2 Unsuccessful collections

14.2.1 After a period of **three (3) months** from date of collection instruction being issued, the collection agent is to return the instruction and all relevant documentation to the Emadlangeni Local Municipality, if the debt is not paid in full or if no satisfactory collection process has been started by the collection agent.

14.2.2 Emadlangeni Local Municipality shall be entitled to call for reasons from the collection agent as to why no collection of debt was achieved and the collection agent shall be obliged to furnish such reasons to the Emadlangeni Local Municipality.

14.3 General

14.3.1 The agent will refrain from having any contact or dealings with account holders as from the date the withdrawal instruction is issued by Emadlangeni Local Municipality or if file is handed over due to unsuccessful collection.

14.3.2 The agent will have no claim against any collections or payments made after the date of withdrawal of hand-over instruction.

14.4 Emadlangeni Local Municipality will not be liable for the payment of ANY costs incurred by the collection agent up to the time of withdrawal of instruction except for the cost due in terms of contract.

15.0 PROCESS AND CAPABILITY PROPOSAL

15.1 Bidders are required to submit full details on the following collection processes and capabilities:

a. Access to external debtor data information with clear distinction between Government, Provincial, Municipal and Private Sector data basis.
b. Proposed methodology to be applied in respect of Pre-Legal and Legal Process.
c. Legal capabilities
d. Anticipated timeframes in respect of all collection processes

16.0 MANDATORY REQUIREMENTS

16.1 Registration with the Debt Collectors Council as is required in terms of **Section 8(1)** and **8(3)** of the **Debt Collectors Act No. 114 of 1998** or confirmation as member of a Law Society in terms of the **Attorneys Act, 1979** or confirmation registered member of the Association of Debt Recovery Agents **"ADRA"**. **Failure to attach this document will deem the bidder non-responsive.**

16.2 A valid fidelity fund certificate or proof of application for renewal must be submitted by the bidder, taking into consideration the provisions of the Legal Practice Council or Legal Practice Act, **No. 28 of 2014**. Failure to provide the required information will be considered as submitting a non-responsive bid. **Failure to attach this document will deem the bidder non-responsive.**

16.3 A valid letter of good standing from the relevant law society or Legal Practice Council may be requested by the Municipality, taking into consideration the provision of the **Legal Practice Act, No 28 of 2014**.

17.0 EVALUATION OF BIDS BASED ON FUNCTIONALITY

17.1 Tenders will be pre-evaluated in terms of functionality of tender submissions. **Tenderers that do not score the minimum of 70 points or more for functionality will be deemed not responsive and only those bidders who score more than 70 out of 100 points will be evaluated further in terms of price and the preference point system.**

17.2 Tenderers shall ensure that all relevant information has been submitted with tender submission to ensure optimal scoring of functionality points.

17.3 **Stage 1**: Functionality will be rewarded as follows:

	CRITERIA	ALLOCATED SCORE
1	**Experience of the bidder (Firm) in the Debt Collection Fields (Reference Letters of Municipalities only considered and to be attached. Uncertified copies will not be considered.**	**Points (Max 30)**
	Above five Years	**30**
	Above three to five Years	**15**
	Less than three years and below	**5**
2	**Relevant Experience of Key Personal (Max 10 Points) Legal Qualification (Curriculum Vitae) to be attached. Uncertified copies will not be considered.**	
	Senior Representative with minimum 10 years' debt collection experience	**Points (Max 10)**
3	**Video clip of demonstration of Debtors Collection Centre. It must also show how the system works and call centre team**	
	5-minute video on a USB	**Points (Max 20)**
4	Debt collection system license or agreement between the bidder and the system service provider. Uncertified copies will not be considered.	**Points (Max 20)**
5	Proposal/methodology for to be applied in respect of pre-legal and legal process	**Points (Max 20)**
	TOTAL	**100**

NB: Bidders must score a minimum of 70 points to proceed to the next level. Furthermore, failure to supply the required information under criteria number 3, 4 and 5 will render your tender invalid.

Minimum qualifying score is 70 points (70%) of the total 100 points to be considered as part of a panel. Bidders who fail to achieve a minimum score of 70% will be disqualified.

17.4 **Stage Two:** 80/20 Preference Point System

Once the pool for the panel of service providers has been established, work shall be allocated to bidders using Stage 2 which will be based on the 80/20 Preferential Point System of the Preferential Procurement Framework Act Regulations 2000, (Act No. 5 of 2000) and the amended PPPFA regulation 2022, with 80 for price and 20 for specific goals.

SPECIFIC GOALS

Specific goals applicable for this tender are as follows:

Preference Goals 1: RDP Goals	**Max points = 10**	**Required Verification document(s)**
Promotion of Enterprises address located within the KZN Province	20 Points	CIPC registration certificate (Companies and Intellectual Property Commission) and Detailed CSD report. Certified Copy RSA Identity Document of the director(s). Proof of Address/ Municipal Accounts
Enterprises address located outside the KZN Province	10 Points	CIPC registration certificate (Companies and Intellectual Property Commission) and Detailed CSD report. Certified Copy RSA Identity Document of the director(s). Proof of Address/ Municipal Accounts

18.0 PRICING

PRICING SCHEDULE

ITEM	**UNIT PRICE (EXCLUDING VAT)**
Individual Data cleansing per record including Windeed Search per file "to discover prop sold"	
Company Data cleansing per record including Windeed Search per file "to discover prop sold"	
Letter of demand/Section 129 notice (per letter including registered post fee)	
Drafting documents or notices (per page)	
Perusal of documents or notices	
Attending Court for hearing, including preparation of hearing and settlement meetings	
TOTAL before VAT	
VAT @15%	
TOTAL INCLUDING VAT	

18.0 The following items including other Applicable Disbursements will be based on the Gazetted Magistrate Court Tariff and High Court Tariff as amended from time to time will be charged as per approved Magistrate tariffs (reviewable annually):

- Preparing summons - Magistrate Court (Maximum R400 000.00)
- Preparing summons - High Court (R400 001.00+)

18.1 A Commission percentage **(...........%)** applicable to legal services based on successful collection of debt for debtor's age120 days and above.

18.2 Customer data cleansing will be negotiated with the successful appointed bidder and be capped at a fixed rate per account.

18.3 All invoices must be submitted in the format approved by Emadlangeni Municipality.

18.4 The tender must be valid for 90 (ninety) days after closing date.

19.0 DOCUMENTATION

19.1 The Service Provider will be required to consider the prescripts of all applicable legislation, and particularly the Municipal Systems Act, Municipal Finance Management Act and Supply Chain Management Regulations.

19.2 Ownership of all material related to the assignment shall vest in the municipality.

19.3 All reports and documents submitted to the municipality must be in hard and soft copies.

20.0 REPORTING PROCEDURES

20.1 The Service Providers are required to deal directly with the Chief Financial Officer (CFO) and a delegated official on the project monthly.

21.0 EXTENT OF CONTRACT

21.1 The Emadlangeni Local Municipality cannot guarantee the extent of the supply, or the volume of work to be carried out, as this tender Comprises both assignment of specific tasks and ad-hoc allocations. Bidders must note that demand variations in the required services will dictate the volume and frequency of the work required.

21.2 Should the collection agent fail to perform to the satisfaction of Emadlangeni Municipality, and in terms of the Service Level Agreement, the services of the said collection agent will be terminated at the discretion of the Emadlangeni Local Municipality.

21.3 If terminated, all relevant documentation is to be handed back to the Emadlangeni Local Municipality and NO claims will be made against Emadlangeni Local Municipality in respect of outstanding arrangement Commissions, fees and / or costs

22.0 GENERAL CONDITIONS FOR THE TENDER

22.1 The following general conditions shall be applicable:

22.1.1 The Emadlangeni Municipality Supply Chain Management Policy will apply;

22.1.2 The Emadlangeni Municipality does not bind itself to accept the lowest bid or any other bid and reserves the right to accept the whole or part of the bid;

22.1.3 Bids which are late, incomplete, unsigned or submitted by facsimile or electronically, will not be accepted;

22.1.4 Bids submitted are to hold good for a period of 90 days.

22.1.5 Valid and updated CSD

22.1.6 Tax Pin OR Valid and Original tax clearance certificate

22.1.7 Certified ID Copies of Company Directors,

22.1.8 Detailed company profile with traceable references,

22.1.9 Detailed preliminary programme and/or Action plan with time frames.

22.1.10 For Joint Ventures a JV Agreement signed by both parties must be submitted together with the proposal

23.0 DUTY OF CARE AND EXERCISE OF AUTHORITY

23.1 The service provider shall exercise reasonable skill, care and diligence in the performance of its obligations during the undertaking of the assignment.

24.0 STATUTORY OBLIGATIONS, NOTICES, FEES AND CHARGES

24.1 The service provider shall carry out its obligations to Comply with all relevant laws and regulations and shall give all notices required by any relevant authority, which may be required in relation to any matter arising out of the assignment.

24.2 The service provider shall be responsible for payment of all costs, taxes, duties, levies and charges arising out of Compliance with such laws and regulations. The service provider shall be liable for and shall indemnify the Client against any claim arising out of the service provider's non-Compliance with any laws and regulations applicable to the execution of the assignment.

25.0 CONFLICT OF INTEREST, CORRUPTION AND FRAUD

25.1 Notwithstanding any penalties that may be enforced against the service provider under South African Law, the Client will be entitled to terminate any Agreements or Contracts if it is shown that the service provider is guilty of:

25.1.1 Offering, giving, receiving or soliciting anything of value with a view to influencing the behavior or action of anyone, whether a public official or otherwise, directly or indirectly in the selection process or in the conduct of the Agreement; or

25.1.2 Misrepresentation of facts to influence a selection process or, Execution of a contract to the detriment of the Client, including the use of collusive practices intended to stifle or reduce the benefits of free and open Competition.

25.2 Any successful bidder shall not accept work from the Council when the debtor is their client to avoid a conflict of interest.

26.0 CONFIDENTIALITY

26.1 Unless otherwise provided by the parties warrant that each shall keep confidential all matters relating to the Assignment/Project, and that the parties, their employees, agents and servants shall not divulge or disclose to any organization or any person any information, data, documents, secrets, dealings, transactions or affairs relating to or incidental to the Assignment/Project.

26.2 The obligation of confidentiality shall not apply to the following: -

26.2.1 Any matter generally available in the public domain;

26.2.2 Any disclosure which may reasonably be required for the performance of that party's obligations under the Agreement; and

26.2.3 Disclosure of information which is required by statute, regulation or any other law.

27.0 COPYRIGHTS

27.1 The service provider shall, and does, by the submission of a quotation, warrant that all sources of data, etc, have been obtained through legal means and that where any material is used from outside sources, the written consent of all copyright holders has been obtained.

27.2 The service provider, by the submission of a quotation or brief proposal, acknowledges and agrees that the report, all associated documents and references become the copyright property of the Municipality and that no data contained in the report (or presentations) may be reproduced in part or whole without the prior written permission of the Municipality under the hand of the Municipal Manager.

27.3 In cases where a fee is levied, the Municipality may allow the use of such copyright material, provided that it will retain copyright of the data or information and in return for commercial charge.

28.0 ISSUED BY

28.1 This document is issued by the Municipality under the authority of the Municipal Manager. All information contained in this proposal is confidential and may not be released to any unauthorized parties. No part of this proposal document may be re-produced without the prior written permission of Municipality under the hand of the Municipal Manager. This permission may be granted under Commercial terms if the use entails any charge to a client. Notwithstanding Municipality will retain copyright of such material.

29.0 CONTRACT PERIOD

29.1 The contract period is **thirty-six (36) months**

30.0. TENDER BRIEFING MEETING/SITE INSPECTION MEETING

30.1 No Tender briefing will be held

31.0 INSURANCES REQUIRED

31.1 All bidders will need to have Professional Indemnity insurance enough to cover the value of the contract as a requirement for professionals undertaking this type of work. Proof will be required within 30 days of the appointment.

32.0 CONDITIONS OF CONTRACT GOVERNING THE CONTRACT

32.1 Conditions of Contract governing the contract will be as per detailed above and existing SCM processes.

33.0 PENALTIES

33.1 The amount of penalties to be levied **R500.00 per day if not submitted on the 7th day of each month.**

34.0 EMADLANGENI MUNICIPALITY COMPLIANCE WITH ANY LEGISLATION, ETC.

34.1 Municipal Systems Act

34.2 Municipal Finance Management Act

34.3 Credit Control and Debt Collection Policy

34.4 Supply Chain Regulations

35. PRICING

35.1 The bidding price will be subject to Gazetted Magistrate Court Tariff and High Court Tariff.

SPECIFIC GOALS

Specific goals applicable for this tender are as follows:

Preference Goals 1: RDP Goals	Max points = 10	Required Verification document(s)
Promotion of Enterprises address located within the KZN Province	20 Points	CIPC registration certificate (Companies and Intellectual Property Commission) and Detailed CSD report. Certified Copy RSA Identity Document of the director(s). Proof of Address/ Municipal Accounts
Enterprises address located outside the KZN Province	10 Points	CIPC registration certificate (Companies and Intellectual Property Commission) and Detailed CSD report. Certified Copy RSA Identity Document of the director(s). Proof of Address/ Municipal Accounts

The tender must be valid for **90 days**

DISQUALIFYING CRITERIA

The following certificates must be provided with the tender:

- Original, Valid Tax Clearance Certificate and Tax reference number, Request reference number and PIN obtained from SARS.
- National Treasury Central Supplier Database Compliance Information (CSD), containing registration confirmation status of National Treasury with MAAA" supplier reference number.
- Joint Venture Agreement and Power of Attorney in case of Joint Ventures
- Company / CC / Trust / Partnership registration certificates (**MUST BE PRINTED WITHIN 3 MONTHS FROM THE DATE OF CLOSING OF THIS TENDER**) and
- Proof that payment for municipal services is up to date not more than 90 days

ADMINISTRATIVE REQUIREMENTS IN TERMS OF THE SUPPLY CHAIN MANAGEMENT POLICY

Description	Yes/No			
MBD 1 – Invitation to Bid Is the form duly completed and signed?	Yes		No	
MBD 4 Declaration of Interest Is the form duly completed and signed?	Yes		No	
MBD 6.1 Preference Points Claim Form Is the form duly completed and signed?	Yes		No	
MBD 8 Declaration of Past Supply Chain Practices Is the form duly completed and signed?	Yes		No	
MBD 9 Certificate of Independent Bid Determination Is the form duly completed and signed?	Yes		No	
Certificate of Payment of Municipal Accounts Is a certified copy of the latest (i.e. not older than three months)Municipal Account Statement attached?	Yes		No	
Central Supplier Database Is proof of registration attached?	Yes		No	
Tax Compliance Pin Is the Tax Compliance pin attached?	Yes		No	

Technical Enquiries

All technical enquiries to be forwarded to Mrs N.S Nene

Email: nenen@emadlangeni.gov.za

Telephone: 034 331 3041

Supply Chain Management Enquiries

All supply chain management enquiries related to this bid call must be forwarded to:

Att: SCM office

Email: scm@emadlangeni.gov.za

Telephone: 034 331 3041

SECTION L

ATTACHMENTS OF RETURNABLE DOCUMENTS

- Company registration certificates
- Valid Tax Compliance Status or PIN
- Certified ID Copies of members
- Proof of registration with Central Suppliers Database
- All other required documents