



**NEWCASTLE MUNICIPALITY**

**TECHNICAL SERVICES – CIVIL SERVICES**

**BID NO.: A016 - 2024/25**

**RE- ADVERTISEMENT: FRAMEWORK CONTRACT FOR HIRE OF PLANT, TRANSPORT AND EQUIPMENT  
ON AN AS WHEN REQUIRED BASIS FOR A PERIOD OF 36 MONTHS**

**SUBMISSION OF BID DOCUMENT DEADLINE**

Date: **Wednesday 10 June 2026**

Time: 12h00

Venue: Municipal Civic Centre Offices (Rates Hall)  
Tower Block Building, 37 Murchison Street, 1<sup>st</sup> Floor  
Newcastle, 2940

<b>Name of Bidder</b>	
<b>CSD Master Registration Number</b>	
<b>Physical Address</b>	
<b>Contact Person(s)</b>	
<b>Phone Number(s)</b>	
<b>E-Mail Address</b>	

Sealed bid document must be deposited in the Tender Box provided at the Municipal Civic Centre (Rates hall), 37 Murchison Street, Newcastle by no later than **12h00** on **10 June 2026** where bids will be opened in public. Please be advised that the name, address and contact details should be written at the back of the envelope.

**CONTENTS**

<b>PART A - ADMINISTRATIVE REQUIREMENTS IN TERMS OF THE SUPPLY CHAIN MANAGEMENT POLICY</b>		<b>PAGE NUMBER</b>
1.	Checklist	4
2.	Bid Notice & Invitation to Bid	5
3.	General Conditions of Bid	8
4.	General Conditions of Contract	12
5.	Special Conditions of Contract	24
6.	Authority of Signatory	32
7.	Record of Addenda issued	34
8.	Banking Details	35
9.	Proof of Municipal Good Standing	36
10.	Central Supplier Database	38
11.	MBD 3.2 - Pricing Schedule – Purchases	39
12.	MBD 4 - Declaration of Interest	42
13.	MBD 6.1 - Preference Points Claim Form	45
14.	MBD 8 - Declaration of Bidder's Past Supply Chain Management Practices	50
15.	MBD 9 - Certificate of Independent Bid Declaration	52
<b>PART B – SPECIFICATIONS AND PRICING SCHEDULE</b>		
16.	Specifications	56
17.	Evaluation Criteria	62
18.	Pricing Schedule	64
19.	Schedule of Work Experience of the Bidder	71
20.	Schedule of Omission & Variations from the Specifications	72
21.	Declaration by Bidder	73
22.	Insurances	75



## **PART A–ADMINISTRATIVE REQUIREMENTS IN TERMS OF THE SUPPLY CHAIN MANAGEMENT POLICY**

**1. CHECKLIST**

**PLEASE ENSURE THAT THE FOLLOWING FORMS HAVE BEEN DULY COMPLETED AND SIGNED AND THAT ALL DOCUMENTS AS REQUESTED, ARE ATTACHED TO THE BID DOCUMENT:**

Description	Yes/No			
	Yes		No	
<b>MBD 1 – Invitation to Bid</b> Is the form duly completed and signed?	Yes		No	
<b>Authority to Sign a Bid</b> Is the form duly completed and is a certified copy of the resolution attached?	Yes		No	
<b>MBD 3.1 - Pricing Schedule – Firm Prices (Purchases)</b> Is the form duly completed and signed?	Yes		No	
<b>MBD 3.2 - Pricing Schedule – Non-Firm Prices (Purchases)</b> Is the form duly completed and signed?	Yes		No	
<b>MBD 4 Declaration of Interest</b> Is the form duly completed and signed?	Yes		No	
<b>MBD 6.1 Preference Points Claim Form</b> Is the form duly completed and signed?	Yes		No	
<b>MBD 8 Declaration of Past Supply Chain Practices</b> Is the form duly completed and signed?	Yes		No	
<b>MBD 9 Certificate of Independent Bid Determination</b> Is the form duly completed and signed?	Yes		No	
<b>Declaration for Municipal Accounts</b> Is the form duly completed and signed?	Yes		No	
<b>Experience of Bidder</b> Is the form duly completed with relevant experience detailed and signed?	Yes		No	
<b>Pricing schedule</b> Is the form duly completed and signed?	Yes		No	

<b>Name of Bidder</b>			
<b>Signature</b>		<b>Name (print)</b>	
<b>Capacity</b>		<b>Date</b>	



## **2. BID NOTICE & INVITATION TO BID**

**BID NO: A016 - 2024/25**

### **RE- ADVERTISEMENT: FRAMEWORK CONTRACT FOR HIRE OF PLANT, TRANSPORT AND EQUIPMENT ON AN AS WHEN REQUIRED BASIS FOR A PERIOD OF 36 MONTHS**

In terms of section 110 of the municipal finance management act, 2003 (no. 56 of 2003), tenders are hereby invited to framework contract for hire of plant, transport and equipment on an as when required basis for a period of 36 months.

Bid documents are obtainable from **7 May 2026**, at the office of the Strategic Executive Director: Budget and Treasury Office, Municipal Civic Centre Tower Block – Office B218 2<sup>nd</sup> Floor, 37 Murchison Street, Newcastle, 2940 during office hours between 08h00 to 15h00 upon a payment of a **non-refundable document fee of R 300.00. Alternatively, the document may be downloaded free of charge from the National Treasury website ([www.etenders.gov.za](http://www.etenders.gov.za)).**

**Banking Details - Banking Details** - The Newcastle Municipality, ABSA – Account No: 4110354947, Br Code 632005 (the proof of payment must reflect the bid number and bidder's name as reference).

**Procurement enquiries :** Ms Dalene Marais

**Telephone no.:** 034 328 7769

**Technical enquiries:** Mr Malibongwe Nsele

**Telephone no.:** 034 312 7935

Multiple service providers with market related rates would be appointed onto this framework arrangement, work will only be allocated on the rotational basis to bidders enlisted in the framework arrangement on an as when required bases for a period of 36 months.

Bids may be adjudicated in terms of the Preferential Procurement Regulations, 2022 pertaining to Preferential Procurement Policy Framework Act, 5/2000 and other applicable legislations and will be based on 80/20 points scoring system. Preference points will be awarded to service providers based on Reconstruction and Development Programme - Government Gazette: 16085 (1994) initiatives. The bids will be valid for a period of one hundred and twenty (120) days from bid closing date. 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.

Completed bid documents complying with the conditions of bid must be sealed and endorsed **“Bid No.: A016 – 2024 RE- ADVERTISEMENT - FRAMEWORK CONTRACT FOR HIRE OF PLANT, TRANSPORT AND EQUIPMENT ON AN AS WHEN REQUIRED BASIS FOR A PERIOD OF 36 MONTHS”** bearing the name and address of the bidder at the back of the envelope to be deposited in the official bid box provided in the foyer of Newcastle Municipality – Municipal Civic Offices (Rates Hall), 37 Murchison Street, 1st floor, Newcastle by no later than **12:00 on Wednesday 10 June 2026** where bids will be opened in public. Late quotations or tenders received by way of facsimile or e-Mail will under no circumstances be considered.

**Only prospective suppliers who are registered on the National Treasury Supplier database are legible to bid. To register on the CSD log onto [www.csd.gov.za](http://www.csd.gov.za)**

**Mr Z.W. Mcineka**  
**Municipal Manager**

**MBD 1: INVITATION TO BID  
PART A**

**YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE NEWCASTLE MUNICIPALITY**

<b>Bid Number</b>	A016 - 2024/25	<b>Closing Date</b>	10 June 2026	<b>Closing Time</b>	12h00
-------------------	----------------	---------------------	--------------	---------------------	-------

<b>Description</b>	RE- ADVERTISEMENT: FRAMEWORK CONTRACT FOR HIRE OF PLANT, TRANSPORT AND EQUIPMENT ON AN AS WHEN REQUIRED BASIS FOR A PERIOD OF 36 MONTHS
--------------------	---

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

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

**FIRST (1<sup>st</sup>) FLOOR OF THE NEWCASTLE MUNICIPALITY  
MUNICIPAL CIVIC CENTRE OFFICES (RATES HALL)  
37 MURCHISON STREET  
NEWCASTLE  
2940**

**SUPPLIER INFORMATION**

Name of Bidder					
Postal Address					
Street Address					
Telephone Number	Code		Number		
Cellphone Number					
Facsimile Number	Code		Number		
E-Mail Address					
Vat Registration Number					
Tax Compliance Status	TCS PIN:		OR	CSD No:	

<b>Preferential points (80/20) or (90/10)</b>	Price = 80 / 90	Preferent points = 20 / 10	Total = 100
---	-----------------	----------------------------	-------------

<b>Specific Contract Participation Goals</b>	<b>20</b>	<b>10</b>	<b>Tick for claim</b>
Black people (With no franchise in national elections before the 1983 and 1993 Constitution / HDI)	<b>8</b>	<b>4</b>	
Women / female (HDI)	<b>2</b>	<b>1</b>	
People with disability (HDI)	<b>2</b>	<b>1</b>	
Youth (HDI)	<b>4</b>	<b>2</b>	
Locality (within Amajuba district)	<b>4</b>	<b>2</b>	
<b>TOTAL HDI SCORE</b>	<b>20</b>	<b>10</b>	

**POINTS WILL BE ALLOCATED AS PER INFORMATION ON THE ATTACHED CSD REPORT.**

<b>Total Number of Items Offered</b>		<b>Total Bid Price:</b>	
--------------------------------------	--	-------------------------	--

<b>Signature of Bidder</b>		<b>Date:</b>	
----------------------------	--	--------------	--

**Capacity under which this bid is signed:**

**ENQUIRIES MAY BE DIRECTED TO:**

<b>Bidding Procedure Enquiries</b>		<b>Technical enquiries</b>
Contact person	Ms Dalene Marais	Mr Malibongwe Nsele
Telephone number	034 328 7769	034 312 7935
E-mail address	Dalene.Marais@newcastle.gov.za	<a href="mailto:Malibongwe.Nsele@newcastle.gov.za">Malibongwe.Nsele@newcastle.gov.za</a>

**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- (The document should not be reformatted, edited in a soft copy format).**
- 1.3. This bid is subject to the Preferential Procurement Policy Framework Act and the Preferential Procurement Regulations, 2022, the General Conditions of Contract (GCC) and, if applicable, any other special conditions of contract.

**2. TAX COMPLIANCE REQUIREMENTS**

- 2.1 Bidders must ensure compliance with their tax obligations.
- 2.2 Bidders are required to submit their unique Personal Identification Number (Pin) issued by SARS to enable the organ of state to view the taxpayer's profile and tax status.
- 2.3 Application for the Tax Compliance Status (TCS) certificate or Pin may also be made via e-filing. To use this provision, taxpayers will need to register with SARS as e-filers through the **website [www.sars.gov.za](http://www.sars.gov.za)**.
- 2.4 Foreign suppliers must complete the Pre-Award Questionnaire in part B:3.
- 2.5 Bidders may also submit a printed TCS certificate together with the bid.
- 2.6 In bids where consortia / joint ventures / sub-contractors are involved; each party must submit a separate TCS certificate / Pin / CSD number.
- 2.7 Where no TCS is available, but the bidder is registered on the Central Supplier Database (CSD), a CSD number must be provided.

**3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS**

- 3.1. Is the entity a resident of the Republic of South Africa (RSA)?  Yes  No
- 3.2. Does the entity have a branch in the RSA?  Yes  No
- 3.3. Does the entity have a permanent establishment in the RSA?  Yes  No
- 3.4. Does the entity have any source of income in the RSA?  Yes  No
- 3.5. Is the entity liable in the RSA for any form of taxation?  Yes  No

**If the answer is "no" to all 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: .....

### **3. GENERAL CONDITIONS OF BID**

#### **1. General conditions of Contract**

- 1.1. This Bid is subject to the General Conditions of Contract (GCC) 2010 and, if applicable, any other Special Conditions of Contract. Whenever there is a conflict between the GCC and SCC, the provisions in the SCC shall prevail.

#### **2. Pricing**

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

#### **3. Forward Exchange Rate Cover**

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

#### **4. Submission of Bids**

- 4.1. Sealed bids, with the "**Bid Number and Title**" clearly endorsed on the envelope and must be deposited in the bid box on or before the closing date and time of the bid.
- 4.2. The bid box is in Municipal Civic Offices, 37 Murchison Street, Rates Hall, 1<sup>st</sup> Floor, Newcastle.
- 4.3. All literature must be securely attached to the bid. The Council shall not be held liable for any loss or damages sustained due to the service provider's failure to comply with this condition.
- 4.4. If a courier service company is being used for delivery of the bid document, the bidder description must be endorsed on the delivery note/courier packaging and the courier must ensure that documents are placed / deposited into the bid box. The Newcastle Municipality will not be held responsible for any bid document which is not timeously

delivered, mislaid, or incorrectly delivered due to the negligence of the courier company or any other party involved in the delivery of the bid document.

Please note:

- Bids that are deposited in the incorrect box will not be considered.
- Mailed, telegraphic or faxed tenders will not be accepted.
- Documents may only be completed in **black ink pen**.
- The use of correction fluid/tape on the bid documents is not allowed. If there is an error, draw a line through it, initial next to it and make the correction directly above /below/next to it.
- All bids must be submitted in writing on the official forms supplied (not to be re-typed).

## 5. Opening, Recording and Publications of Bids Received

- 5.1. Bids will be opened on the closing date immediately after the closing time specified in the bid documents. If requested by any bidder present, the names of the bidders, and if practical, the total amount of each bid and of any alternative bids will be read out aloud.
- 5.2. Details of bids received in time will be recorded in a register which is open to public inspection.
- 5.3. Any bid received after the appointed time for the closing of bids **will not be considered** but shall be filed unopened with the other bids received, which bid(s) can be returned to the bidder at his request and cost.

## 6. Validity Period

Bids shall remain valid for **one hundred and twenty (120) days** after the tender closure date.

## 7. Incorrect Information

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

## 8. Withdrawal of Bid during and After the SCM Process:

- 8.1. When a bidder withdraws his/her bid during the SCM bidding process, it must be in writing, prior to the award of the bid, of which Newcastle holds the right to accept or reject with or without a claim for any damages.
- 8.2. When a bidder withdraws or cancels the contract after award of the bid to the particular winner of the bid, the awarded bidder will be held responsible for any damages or administrative expenses incurred prior to the award of the bid.

## 9. Invoices

All invoices must be forwarded to the following address:

Newcastle Municipality  
Private Bag x6621  
Newcastle, 2940

### 9.1. Legal requirements for invoices

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

**9.1.1.1. Ordinary invoice (not VAT Registered)**

- a) The word „**INVOICE** “ in a prominent place
- b) Official invoice number and date of transaction
- c) Trade name, legal name, registration number (if any) and address of supplier
- d) The Official order number of Newcastle Municipality is compulsory – non-compliance – no payment
- e) The Municipality's name and postal address (Private Bag X6621, Newcastle, 2940)
- f) Accurate description of goods and / or services supplied / provided.
- g) Unit of measurement of goods or services supplied
- h) Price

**9.1.1.2. VAT/Tax invoice (VAT registered)**

- a) Word „**TAX INVOICE**’ in a prominent place
- b) Trade, legal name, and registration number (if any) of supplier
- c) Address and VAT number of supplier
- d) The official invoice number and date of invoice
- e) The Official order number of Newcastle Municipality is compulsory – non-compliance – no payment
- f) The Municipality's name and postal address (Private Bag X6621, Newcastle, 2940) and VAT registration number (4000791824)
- g) Accurate description of goods and / or services supplied / provided.
- h) Unit of measurement of goods or services supplied
- i) Price and VAT amount

**10. Payment Terms**

- 10.1. It is the policy of the Newcastle Municipality to pay all creditors by means of electronic bank transfers.
- 10.2. Creditors will be paid within 30 days after receipt of an invoice and statement for the month in question, detailing all invoices during that month and reflecting the total amount due by the Municipality. In exceptional circumstances, the Municipality may, at its discretion, deviate from the above.

**11. Poor Performance**

Where the supplier fails to render the services within the stipulated period, or should services rendered be deemed not to the satisfaction of the Newcastle Municipality, the tenderer will receive written notice of poor performance. Failure to address performance issues could result in the entire contract being reviewed or cancelled.

**12. Central Supplier Database**

No awards will be made to a tenderer who is not registered on the Central Supplier Database.

**13. Disbursements, Travel and Subsistence**

- 13.1. No bidder will be refunded any cost or disbursements incurred in respect of the project, save where the prior written approval of Newcastle Municipality has been obtained in respect of such expenditure.

- 13.2. Any authorized disbursements will be refunded at the reasonable and actual cost determined by Newcastle Municipality. Any expenditure incurred by the successful bidder in respect of authorized travel for the project will be refunded in accordance with the Newcastle Municipality travel policy as applicable from time to time. The rates payable for the use of private vehicles will be the prevailing rates quoted by the Automobile Association of South Africa.
- 13.3. All claims in respect of authorized disbursements (travel and subsistence costs) must be substantiated by documentary evidence such as receipts and logs of kilometres travelled.
- 13.4. All expenses incurred by the bidder for the proposal and presentations are the responsibility of the bidder and will not be reimbursed by Newcastle Municipality.

#### **14. Joint Venture Agreement or Consortiums**

Bidders intending to tender in the form of joint venture or consortium must submit the following documentation together with the bid: -

- 1) A valid Tax Compliance Status Verification Pins issued by SARS of all parties of the Joint Venture or Consortium, and
- 2) all parties of the Joint Venture or Consortium must submit signed copies of: -
  - a) The Declaration of Interest Form,
  - b) The Declaration of Bidder's Past Supply Chain Management Practices Form,
  - c) The Certificate of Independent Bid Determination Form, and
- 3) An undertaking duly signed by all parties of the Joint Venture or Consortium indicating their intention to enter into an agreement for the purposes of this contract, and
- 4) A consolidated valid and original or certified copy of their B-BBEE Status Level Verification Certificate.

Further to the above, the name of the Joint Venture or Consortium must appear on the relevant pages of the document. Failure to comply with these requirements shall lead to disqualification.

#### **15. Samples for Quality Control**

- 15.1 If the samples are required in terms of the specification, such samples shall be supplied by the service provider at his/her own cost.
- 15.2 All samples approved will be retained by the Newcastle Municipality as standards for the duration of the contract.

#### **16. Tax Compliance Pin**

- 16.1 The bidder must submit a valid Tax Compliance Pin with the bid. Bidders should note that their tax compliance status shall be verified through the Central Supplier Database and SARS.
- 16.2 Where a Tax Compliance Pin is not submitted with the bid, the Department shall use the Central Supplier Database to verify the tax matters of the bidder.

#### 4. GENERAL CONDITIONS OF CONTRACT

##### 1. Definitions

The following terms shall be interpreted as indicated:

- 1.1 **“Closing time”** means the date and hour specified in the bidding documents for the receipt of bids.
- 1.2 **“Contract”** means the written agreement entered into between the purchaser and the vendor, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- 1.3 **“Contract price”** means the price payable to the Vendor under the contract for the full and proper performance of his contractual obligations.
- 1.4 **“Corrupt practice”** means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
- 1.5 **“Countervailing duties”** are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- 1.6 **“Country of origin”** means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- 1.7 **“Day”** means calendar day.
- 1.8 **“Delivery”** means delivery in compliance 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 vendor 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 vendor 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 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 vendor or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the 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 Institution purchasing the goods/works and/or service.
- 1.22 **“Republic”** means the Republic of South Africa.
- 1.23 **“SCC”** means the Special Conditions of Contract.
- 1.24 **“Services”** means those functional services ancillaries to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance, and other such obligations of the vendor covered under the contract.
- 1.25 **“Written”** or **“in writing”** means handwritten in ink or any form of electronic or mechanical writing.

## 2. Application

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but **excluding immovable property**, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, Special Conditions of Contract are also laid down to cover specific vendors, services or works.
- 2.3 Where such Special Conditions of Contract are in conflict with these general conditions, the special conditions shall apply.

### **3. General**

- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 Invitations to bid are usually published in locally distributed news media and on the municipality/municipal entity website.

### **4. Standards**

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

### **5. Use of contract documents and information inspection**

- 5.1 The vendor shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the vendor in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The vendor shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if required by the purchaser.
- 5.4 The vendor shall permit the purchaser to inspect the vendor's records relating to the performance of the vendor and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.
- 5.5 The vendor shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

### **6. Patent Rights**

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

### **7. Performance security**

- 7.1 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the vendor's failure to complete his obligations under the contract.
- 7.2 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the

following forms:

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

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

## **8. 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 supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Institution or an organization acting on behalf of the Institution.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the vendor.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the vendor who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal, the rejected supplies shall be returned at the vendor's cost and risk. Should the vendor fail to provide the substitute supplies forthwith, the purchaser may, without giving the vendor further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the vendor.
- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

## 9. Packing

- 9.1 The vendor shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
- 9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

## 10. Delivery and documents

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

## 11. Insurance

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

## 12. Transportation

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

## 13. Incidental Services

- 13.1 The vendor may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
- a) Performance or supervision of on-site assembly and/or commissioning of the supplied goods.
  - b) Furnishing of tools required for assembly and/or maintenance of the supplied goods.
  - c) Furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods.
  - d) Performance or supervision or maintenance and/or repair of the supplied goods, for a period agreed by the parties, provided that this service shall not relieve the vendor of any warranty obligations under this contract.
  - e) Training of the purchaser's personnel, at the vendor's plant and/or
  - f) On-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.
- 13.2 Prices charged by the vendor for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the vendor for similar services.

## 14. Spare parts

- 14.1 Specified in SCC, the vendor may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the vendor:
- a) such spare parts as the purchaser may elect to purchase from the vendor, provided that this election shall not relieve the vendor of any warranty obligations under the contract; and
  - b) in the event of termination of production of the spare parts:
    - (i) advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
    - (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

## 15. Warranty

- 15.1 The vendor warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The vendor further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the vendor, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.
- 15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.
- 15.3 The purchaser shall promptly notify the vendor in writing of any claims arising under this warranty.
- 15.4 Upon receipt of such notice, the vendor shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.
- 15.5 If the vendor, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the vendor's risk and expense and without prejudice to any other rights which the purchaser may have against the vendor under the contract.

## 16. Payment

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

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

## **17. Prices**

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

## **18. Variation Orders**

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 if there is no escalation in price.

## **19. Assignment**

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

## **20. Subcontractors**

The vendor shall notify the purchaser in writing of all subcontractors awarded under this contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the vendor from any liability or obligation under the contract.

## **21. Delays in the vendor's performance**

- 21.1 Delivery of the goods/works and/or performance of services shall be made by the vendor in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the vendor or its subcontractor(s) should encounter conditions impeding timely delivery of the goods/works and/or performance of services, the vendor shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the vendor's notice, the purchaser shall evaluate the situation and may at his discretion extend the vendor's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have essential services executed if an emergency arises, the vendor's point of supply is not

situated at or near the place the supplies are required or the vendor's supplies or goods are not readily available.

- 21.5 Except as provided under GCC Clause 25, a delay by the vendor in the performance of its delivery obligations shall render the vendor liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.
- 21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the vendor's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the vendor.

## 22. Penalties

Subject to GCC Clause 25, if the vendor 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/works and/or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

## 23. Termination for default

- 23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the vendor, may terminate this contract in whole or in part:
- i. if the vendor fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
  - ii. if the vendor fails to perform any other obligation(s) under the contract; or
  - iii. if the vendor, in the judgement of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.
- 23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner, as it deems appropriate, goods/works and/or services similar to those undelivered, and the vendor shall be liable to the purchaser for any excess costs for such similar goods/works and/or services. However, the vendor shall continue performance of the contract to the extent not terminated.
- 23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the vendor by prohibiting such vendor from doing business with the public sector for a period not exceeding 10 years.
- 23.4 If a purchaser intends imposing a restriction on a vendor or any person associated with the vendor, the vendor will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the

vendor fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the vendor.

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

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

- i. the name and address of the vendor and / or person restricted by the purchaser;
- ii. the date of commencement of the restriction
- iii. the period of restriction; and
- iv. the reasons for the restriction.

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

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

#### **24. Antidumping and countervailing duties and rights**

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

#### **25. Force Majeure**

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

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

## **26. Termination on insolvency**

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

## **27. Settlement of Disputes**

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

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

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

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

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

- i. the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
- ii. the purchaser shall pay the vendor any monies due the vendor.

## **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 vendor shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the vendor to pay penalties and/or damages to the purchaser; and

(b) the aggregate liability of the vendor to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

## **29. Governing language**

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

## **30. Applicable law**

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

## **31. Notices**

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

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

## **32. Taxes and duties**

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

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

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

## **33. Transfer of contracts**

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

## **34. Amendment of contracts**

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

## **35. Prohibition of restrictive practices**

35.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder(s) is/are or a contractor(s) was/were involved in collusive bidding (or bid rigging).

- 35.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.
- 35.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

**5. SPECIAL CONDITIONS OF CONTRACT**

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 Newcastle 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 Newcastle 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 Supply Chain Management Regulations, the Municipal Finance Management Act, No. 56 of 2003, the Newcastle Municipality Supply Chain Management Policy and the General and Special 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 the Municipality and myself. 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 Municipality 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 domicile citadel et executant in the Republic at (full physical address):  
.....  
.....

I/we furthermore confirm that I/we have satisfied myself/ourselves as to the correctness and validity of the 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.

3. 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.
  
4. 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.

5. Are you duly authorized to sign the bid? \*  YES  NO

6. 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.

7. Has the Declaration of Interest been duly completed and included with the bid forms?

\* YES  NO

- Delete whichever is not applicable.

8. **CERTIFICATION OF CORRECTNESS OF INFORMATION SUPPLIED IN THIS DOCUMENT**

9.1 I/we, THE UNDERSIGNED, WHO WARRANT THAT I AM DULY AUTHORIZED TO DO SO ON BEHALF OF THE BIDDER, CERTIFY THAT THE INFORMATION SUPPLIED IN TERMS OF THIS DOCUMENT IS CORRECT AND TRUE, THAT THE SIGNATORY TO THIS DOCUMENT IS DULY AUTHORIZED AND ACKNOWLEDGE THAT:

9.2 The bidder will furnish documentary proof regarding any bidding issue to the satisfaction of the Municipality, if requested to do so.

9.3 If the information supplied is found to be incorrect and/or false then the Municipality, in addition to any remedies it may have, may:-

- a) Recover from the contractor all costs, losses or damages incurred or sustained by the Municipality as a result of the award of the contract, and/or
- b) Cancel the contract and claim any damages which the Municipality may suffer by having to make less favorable arrangements after such cancellation.

**BIDDER`S NAME** : \_\_\_\_\_

**BIDDER'S REPRESENTATIVE** : \_\_\_\_\_

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

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

**WITNESSES**

1. **Name** : \_\_\_\_\_ **Signature** : \_\_\_\_\_

**Date** : \_\_\_\_\_

2. **Name** : \_\_\_\_\_ **Signature** : \_\_\_\_\_

**Date** : \_\_\_\_\_

**NEWCASTLE MUNICIPALITY**

**CONTINUATION OF SPECIAL CONDITIONS OF CONTRACT**

**RULES IN RESPECT OF BID DOCUMENTS**

'Council' shall mean the Newcastle Municipality

'Committee' shall mean that Committee of the Council whose responsibility it is to consider tenders and advise Council on acceptance or otherwise.

'Municipal Manager' shall mean the Municipal Manager of the Local Council of Newcastle or such person appointed by Council to act in that capacity.

'Head of Department' shall mean the head of the Council department concerned with the particular tender or such person appointed by Council to act in that capacity.

**All bidders are hereby advised that in the event that the bid is accepted by the Council all conditions and stipulations set out this bid and in all forms, schedule and/or annexure hereto, will be the contract between the Bidder and the Municipality.**

1. Bidders must acquaint themselves fully on the Rules, General Conditions and Special Conditions of bid documents.
2. Failure on the part of the Bidder to sign this bid form and thus to acknowledge and accept the conditions in writing or to complete the attached forms, questionnaires and specifications and proposals in all respects, may in the sole discretion of the Municipality invalidate the bid.
3. Failure to sign the **Form of Offer** and **MBD 1 Form** will invalidate the bid, provided that it is the only acceptable bid received, Council may recommend it be considered as an offer after signature by the bidder.

Bidders shall ensure that they have been provided with all the documents and drawings. Bidders must advise the Department concerned immediately if there is any duplication or obscure typing or if there is any doubt as to the meaning of any words, clause, sentence, paragraph, drawing or any other particulars and have the matter rectified, otherwise it will be assumed correct and no liabilities whatsoever will be admitted in respect of errors in the bid due to the foregoing.

4. Bidders shall quote delivery periods for the products specified and shall supply all the information called for on the attached data schedules.
5. GUARANTEE  
Where applicable, Bidders shall provide at the time of bidding, details of the guarantee given with the products offered together with the period for which the guarantee is effective from date of delivery.
6. **No bid will be accepted unless made out on the forms provided.**
7. A signed copy of these conditions and specifications must accompany the bid.
8. Bids received after 12:00 on the closing date of this bid will not be accepted.
9. After the bids have been opened, a bid may not be withdrawn by the person or firm submitting it except with the concurrence of the Council.

10. Council reserves the right to accept all or a portion only of any tender.
11. Should there be any difference between the prices or particulars contained in the official Form of bid and those contained in the covering letter from the bidder the prices and particulars contained in the official form of bid, in all circumstances, prevail.
12. If any of the conditions on this bid form are in conflict with any special conditions, stipulations or provisions incorporated in the bid, such special conditions, stipulations or provisions shall apply.
13. Bids must be submitted in sealed envelopes.
14. The bid number and title of the bid must appear on the front of the sealed envelope in which the bid is submitted.
15. The Municipality shall not be obliged to accept the lowest or any bid. It is important that only Bidders with the necessary experience, qualifications and technical ability to carry out the requirements of this bid submit bids in regard hereto. The Municipality will consider all prices and submissions made by the bidders. Should the Municipality require that a specific price and/or submission be reconsidered, it reserves the right to do so, subject to the Municipality requesting all Bidders to submit such a request or revision of the Bid Proposal.
16. The bidder undertakes that it will make itself and its members, officials and employees and agents aware of the appropriate legislation, regulations and by-laws of the Municipality that might have implications on the Bidder's activities in terms hereof.
17. Neither the Municipality nor any official of the Municipality will be held responsible for loss of a potential opportunity to bid due to the failure of the Bidder complying with any of the requirements of this bid.
18. The covering letter or other matter submitted with the official bid document may explain, amplify or illustrate, but not replace any part of the official bid document or the information furnished therein.
19. All data/information supplied by the Municipality will be received by the Bidder at his/her risk. It will be the responsibility of the Bidder to check and verify the accuracy of the data/information supplied by the Municipality. The Municipality will not be held responsible for any inaccurate or incomplete data/information.

20. **Two envelope system WILL NOT be applicable on this project.**

21. PAYMENT OF MUNICIPAL SERVICES

Proof must be produced, together with the bidding documents that the entity is not indebted to the Municipality or Municipal area in which they are staying, for a period of more than 90 days for services rendered / rate payable. Bidders residing on farms with no municipal services should submit a letter from their Induna / owner stating the above.

22. INVITATION TO BID

Bids shall be invited by the Municipal Manager in terms of the Supply Chain Management Policy of the Newcastle Municipality.

### 23. ACCEPTANCE OF BIDS

After the opening of bids, the official designated by the Municipal Manager shall forward such tender to the Head of Department for whom such tenders have been invited. The Head of Department concerned will then consider the tenders and submit them to the appropriate Committee with the written comments of the Chief Financial Officer and with details of any irregularity or defect in connection with the bid documents or matters relating to the calling of bids together with the recommendation for consideration by the Committee.

### 24. BID DOCUMENTS

- a. Where applicable all bid documents and drawings are to be returned at the time of bidding except that where an additional copy of the Schedule of Quantities is provided, a copy may be retained by the tender for his records.  
The original Schedule of Quantities must be forwarded to the Newcastle Municipality
- b. After awarding the bid, no documents will be returned to any unsuccessful bidder, but will be retained by the Municipal Manager.
- c. All bid documents must be completed in black ink and should any alteration, omission, erasure or addition be made, it will not be recognised unless authenticated with the initials of the bidder and those of the witnesses of his signature. Bidders may, however, qualify their bid by a letter accompanying the bid documents.
  - i. Any irregularity, incompleteness or obscurity in a bid renders it liable for rejection.
  - ii. Failure to sign the bid document will invalidate the bid , provided that if it is the only acceptable bid received, the Head of Department may recommend that it be considered as an offer after signature by the bidder.
  - iii. Bidders shall check that they have been provided with all the documents and drawings. Bidders must advise the Department concerned immediately if there is any duplication or obscure typing or if there is any doubt as to the meaning of any words, clause, sentence, paragraph, drawing or any other particulars and have the matter rectified, otherwise it will be taken for granted that there are no doubts or errors, and no liabilities whatsoever will be admitted in respect of errors in the tender due to the foregoing.

### 25. DEPOSITS

- a. A sum as stated in the invitation to bid being a deposit for the supply of the bid documents. The bidder must obtain a receipt for the deposit amount from the office of the Chief Financial Officer prior to receiving the bid documents.
- b. A deposit in the sum stated in the bid documents is non-refundable.
- c. The Head of the Department concerned, in the event of receiving any deposits, shall forthwith hand to the Chief Financial Officer any deposits or security received.

### 26. LATE BIDS

- a. Any bid received after the closing date and time advertised for the receipt of bids shall not be considered, provided that a late bid may be admitted by the Council when :
  - I. in the case of a bid submitted through the post, there is proof that the bid was posted in sufficient time to reach the Municipal Manager before the closing date and time advertised for the receipt of bid and the bidder has taken reasonable steps against ordinary delays and was in no way to blame for the late receipt of his bid;
  - II. in the case of a bid delivered by hand, there is proof that the bidder had taken reasonable steps against ordinary delays and was in no way to blame for the late delivery.

- b. The Council may accept a bid which is received late and has for that reason been disallowed in terms of the provisions of this rule, provided it was the only acceptable bid received.

#### 27. COMMUNICATION PROHIBITED

- a. Except where clarification of a bid is necessary or whenever it is necessary to approach a bidder for an extension of the binding period of a bid, no communication, without written authority of the Council, shall take place between the bidder and any member or officer of Council on a question affecting any matter which is the subject of a bid between the closing date and time of a bid and the acceptance by Council of the bid. When clarification is required or an extension of time, this may be requested by a Council Officer on the authority of his Head of Department.
- b. In no case shall bids be returned or referred to bidders for amendment or completion in any respect without the written authority of the Council.

#### 28. COUNCIL NOT OBLIGED TO ACCEPT ANY BID

Council does not bind itself to accept the lowest or any bid and where the bid documents allow for such cases, reserves the right to accept a portion only of any bid.

Council will not compensate the bidder in the preparation and submission of his bid. Council reserves the right to purchase goods outside this contract if and when the need arise

#### 29. DEVIATION FROM CONTRACT

Council reserves the right to deviate or procure goods or services outside of this contract when the need arises.

#### 30. ALTERNATIVES

The bidder may submit alternatives which, in his/her opinion, are to the Council's advantage economically and technically.

#### 31. CONTRACT DURATION

**The contract will be 36 months from the date of appointment.**

#### 32. POST AWARD PRODUCT COMPLIANCE PROCEDURES

The following post award product compliance procedure will apply:

- i. In the case the equipment has been discontinued / replaced with a new model, the service provider(s) will be required to submit letters from the Manufacturer / Supplier stating the changes and the approval be obtained from the Accounting Officer prior to the executions of such changes.
- ii. Furthermore, service provider(s) are expected to disclose information on the following:
  - Financial Implications & Price Variances
  - Any potential risk
- iii. The new model should at least meet the minimum specification of the original model.
- iv. The delivery and installation of new equipment cannot be effected without the approval from the head of the department (Strategic Executive Director).

### 33. DEMONSTRATIONS AND INSPECTIONS

- i. All bidders must be prepared to demonstrate, where required, free of charge and obligation, at the Newcastle Municipality or any other area within the boundary of the Newcastle Municipality, any services offered in this bid.
- ii. Where officials are required to attend demonstrations or inspections outside the boundary of the Newcastle Area, all costs to attend such demonstration shall be borne by the bidder.

### 34. PRICE ADJUSTMENT

In the event of a total price increase exceeding the going inflation rate during the bid period, Council reserves the right to withdraw from the bid and call for fresh bids.  
(Please see MBD 3.2 for price adjustment formula).

Prices for labour and materials submitted in the bid for the purpose of allowing for statutory increase must be ruling prices as at the date of bidding.

Should the Bidder wish to place the risk of rise or fall in certain items or factors of costs to the account of the Municipality, the Bidder shall state specifically under separate cover in respect of which items or factors he wishes to avoid the risk of rise or fall on what rate he has calculated the item or factor in his price offered.

It should be emphasized that price adjustments based on the Rate of Exchange (ROE) will be allowed only on the imported content of the commodity and it should only meet the provider's additional costs on the imported content. Price adjustments due to the fluctuation in the Rate of Exchange should indicate the dates and period of affect issued by the Reserve Bank of S.A. at 12:00 of the specified date.

Unless any item or factor is reserved in terms of this clause, the bid shall be considered to be a firm delivery price. (See MBD 3.2)

35. Where applicable, all redundant or unusable products, materials or equipment which are removed from site remains the property of the Municipality and shall be returned to the Municipality. The Service provider shall obtain a written acceptance of the goods unless the bid states otherwise.

**NB: THE FOLLOWING CLAUSES HAVE BEEN REPEATED AS THESE WILL LEAD TO THE REJECTION OF THE BID**

- All bid documents must be completed in black ink pen and should any alteration, omission, erasure or addition be made, it will not be recognised, unless authenticated with the initials of the bidder and those of the witnesses of his signature.
- Failure to sign the bid document will invalidate (Invitation to Bid) the bid, provided that it is the only acceptable bid received, Council may recommend that it be considered as an offer after signature by the bidder.
- NO correction fluid/tape may be used.
- Bidders shall ensure that they have been provided with all the documents and drawings. Bidders must advise the Department concerned immediately if there is any duplication or obscure typing or if there is any doubt as to the meaning of any words, clause, sentence, paragraph, drawing or any other particulars and have the matter rectified, otherwise it will be assumed correct and no liabilities whatsoever will be admitted in respect of errors in the bid due to the foregoing.
- Bids received after the official closing date and time of this bid, will not be accepted.
- Proof must be produced, together with the bidding document that the entity is not indebted to the Municipality or municipal area in which they are staying, for a period of more than 90 days for services rendered / rates payable. Bidders residing on farms with no municipal services should submit a letter from their Induna/owner stating the above.
- **TAX COMPLIANCE STATUS**  
A valid Tax Compliance Status Pin or CSD Master Registration Number should be supplied on MBD 1 for verification.

NAME OF BIDDER .....

ADDRESS .....

TELEPHONE NUMBER .....

NAME OF THE OFFICIAL ..... POSITION.....

SIGNATURE ..... DATE.....

**WITNESSES**

NAME ..... NAME .....

SIGNATURE ..... SIGNATURE .....

ID NUMBER ..... ID NUMBER .....

**6. AUTHORITY OF SIGNATORY**

Indicate the status of the Bidder by ticking the appropriate box hereunder. The Bidder must complete the certificate set out below for the relevant category.

A COMPANY	B PARTNERSHIP	C JOINT VENTURE	D SOLE PROPRIETOR	E CLOSE CORPORATION

**A. Certificate for Company**

I, ....., chairperson of the board of ....., hereby confirm that by resolution of the board (copy attached) taken on ..... 20..... , Mr/Ms.....acting in the capacity of ....., was authorised to sign all documents in connection with this bid for **Bid no.: A016 - 2024/25** and any contract resulting from it on behalf of the company.

As witnesses:

1. .... Chairman: .....  
 2. .... Date: .....

**B. Certificate for Partnership**

We, the undersigned, being the key partners in the business trading as ....., hereby authorise Mr/Ms ....., acting in the capacity of ....., to sign all documents in connection with this bid for **Bid no.: A016 - 2024/25** and any contract resulting from it on our behalf.

Name	Address	Signature	Date

**Note: This certificate is to be completed and signed by all key partners upon whom rests the direction of the affairs of the Partnership as a whole.**

**C. Certificate for Joint Venture**

We, the undersigned, are submitting this tender offer in Joint Venture and hereby authorise Mr/Ms ..... , authorised signatory of the company ..... , acting in the capacity of lead partner, to sign all documents in connection with this bid for **Bid no.: A016 - 2024/25** and any contract resulting from it on our behalf. This authorisation is evidenced by the attached power of attorney signed by legally authorised signatories of all the partners to the Joint Venture.

Name of Firm	Address	Authorising Name and Capacity	Authorising Signature
Lead Partner:			

**NOTE: A copy of the Joint Venture Agreement indicating clearly the percentage contribution of each partner to the Joint Venture, is to be submitted with the bid. A board resolution, authorising each signatory who signed above to do so, is to be submitted with the bid.**

**D. Certificate for Sole Proprietor**

I, ..... , hereby confirm that I am the sole owner of the business trading as .....

**As witnesses:**

- 1. .... Sole Owner: .....
- 2. .... Date: .....

**E. Certificate for Close Corporation**

We, the undersigned, being the key members in the business trading as ..... , hereby authorise Mr/Ms ..... acting in the capacity of ..... , to sign all to sign all documents in connection with this bid for **Bid no.:**

**A016**  
- **2024/25** and any contract resulting from it on our behalf.

Name	Address	Signature	Date

**Note: This certificate is to be completed and signed by all key partners upon whom rests the direction of the affairs of the Partnership as a whole.**

**7. RECORD OF ADDENDA**

We confirm that the following communications received from the employer before the submission of this tender offer, amending the tender documents, have been taken into account in this tender offer.

	Date	Title or Details
1.		
2.		
3.		
4.		

Attach additional pages if more space is required.

**Failure to acknowledge any addendum released by Newcastle Municipality may result in your tender submission being declared non-responsive.**

<b>Name of Bidder</b>			
<b>Signature</b>		<b>Name (print)</b>	
<b>Capacity</b>		<b>Date</b>	

**8. BANKING DETAILS**

It is the policy of the Newcastle Municipality to pay all creditors by means of direct bank transfers. Please complete this information and acquire your banker's confirmation.

<b>ACCOUNT HOLDER</b>	
<b>NAME OF BANK</b>	
<b>ACCOUNT NUMBER</b>	
<b>ACCOUNT TYPE</b>	
<b>BRANCH NAME</b>	
<b>BRANCH CODE</b>	
<b>BRANCH CONTACT PERSON</b>	
<b>PHONE NUMBER</b>	
<b>FAX NUMBER</b>	

I/we hereby request and authorise the Newcastle Municipality to pay any amounts that may accrue to me/us to the credit of my/our bank account.

I/we further undertake to inform the Newcastle Municipality in advance of any change in my/our bank details and accept that this authority may only be cancelled by me/us by giving thirty days' notice by prepaid registered post.

**Alternatively, the tenderer may submit a letter/declaration from his bank worded as above, providing the required details and signed by an appropriate Bank Official (attached behind this page).**

<b>Name of Bidder</b>			
<b>Signature</b>		<b>Name (print)</b>	
<b>Capacity</b>		<b>Date</b>	

**9. DECLARATION FOR MUNICIPAL ACCOUNTS**

**MUST BE COMPLETED FOR THIS BID**

**Declaration in terms of paragraph 38(1)(d)(i) of the Supply Chain Management Regulation, irrespective of the contract value of the bid:**

**NB: Please note that this declaration must be completed by ALL bidders**

- i. I, the undersigned hereby declare that the signatory to this tender document; is duly authorised and further declare:
- ii. I acknowledge that according to SCM Regulation 38(1)(d)(i), the Municipality may reject the tender of the tenderer if any municipal rates and taxes or municipal service charges owed by the Tenderer or any of its directors/members/partners to Newcastle Municipality, or to any other municipality or municipal entity, are in arrears for more than 3 (three) months.
- iii. I acknowledge that should it be found that any municipal rates and taxes or municipal charges as set out in (ii) above are in arrears for more than three (3) months, the bid will be rejected and the Newcastle Municipality may take such remedial action as is required, including the rejection of the bid and/or termination of the contract; and
- iv. The following account/s of the bidding entity has reference:

Physical Business Address(es) of the Tenderer	Municipality	Municipal Account Number

**NB:** If insufficient space above, please submit on a separate page

**PLEASE NOTE** further that if no municipal rates and taxes or municipal charges are payable by the bidding entity, indicate the reason/s for that in the space below by means of a tick next in the relevant block,

Reason	Tick	Portfolio of evidence
Bidding entities who rent premises from a landlord		Signed copy of the lease agreement together with account statement or a letter from the landlord stating that no levies are in arrears.
Bidding entities who operate from a property owned by a director / member / partner		Municipal account statement/s of a director / member / partner.
Bidding entities who operate from farms / informal settlements		An original letter from their Induna / an original signed ward councillor letter confirming business operation. The letter should not be older than 3 months from the closing date of the bid.
Bidding entities who operate from somebody else's property		Original Sworn Affidavit (by the property owner / municipal account holder) stating the relationship and whether the business owner is responsible for paying levies. If yes, stating whether any levies are in arrears.

**Attach latest municipal account statement behind this page. The portfolio of evidence must not be older than three months from the close of this tender.**

SIGNED AT.....THIS.....DAY OF..... 20.....

Name of Duly Authorised Signatory: (Please print).....

Authorised Signature: .....

As witness:           1. ....  
                               2. ....

**10. CENTRAL SUPPLIER DATABASE REGISTRATION**

**No awards will be made to a tenderer who is not registered on the Central Supplier Database (CSD).**

The establishment of a Central Supplier Database (CSD) will result in one single database to serve as the source of all supplier information for all spheres of government. The purpose of centralising government's supplier database is to reduce duplication of effort and cost for both supplier and government while enabling electronic procurement processes.

Registration on the Central Supplier Database must be done online via the website:

<https://secure.csd.gov.za/>

If the business enterprise 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 legal rights or remedies it may have:

- Cancel a bid or a contract awarded to such bidder/supplier; and the bidder would become liable for any damages if a less favorable is accepted or less favorable arrangements are made.
- The same principles as above stated, should the successful bidder fails to request updating of its information on the Central Supplier Database; relating to changed particulars or circumstances.

**IF THE SUPPLIER IS NOT REGISTERED AT THE CLOSING TIME OF BID, THEN THE SUPPLIER MAY BE DISQUALIFIED AT THE BID EVALUATION PROCESS**

**PROOF OF FULL REGISTRATION (ACTIVE VENDOR) WITH CSD SHOULD BE ATTACHED AT THE BACK OF THE BID.**

<b>Name of Bidder</b>			
<b>Signature</b>		<b>Name (print)</b>	
<b>Capacity</b>		<b>Date</b>	

**11. MBD3.2: PRICING SCHEDULE – NON-FIRM PRICES**  
**(PURCHASES)**

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

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

Name of Bidder..... Bid number: A016 – 2024/25  
 Closing Time: 12h00 Closing Date: **10 June 2026**

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

---

BID NO	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY (**ALL APPLICABLE TAXES INCLUDED)
			(refer to MBD 3.1 above)

---

- Required by : Technical Services – Civil Services
- At : Cnr. Hardwick & Van Der Bijl Street  
: Newcastle 2940
- Brand and model .....
- Country of origin .....
- Does the offer comply with the specification(s)? \*YES/NO
- If not to specification, indicate deviation(s) .....
- Period required for delivery .....
- Delivery: \*Firm/Not firm

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

\*Delete if not applicable



**MBD 3.2 - PRICES SUBJECT TO RATE OF EXCHANGE VARIATIONS**

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

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

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

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

<b>Name of Bidder</b>			
<b>Signature</b>		<b>Name (print)</b>	
<b>Capacity</b>		<b>Date</b>	

**12. MBD 4: DECLARATION OF INTEREST**

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

<b>3.1</b>	<b>Full Name of bidder/ Representative</b>	
<b>3.2</b>	<b>Identity Number</b>	
<b>3.3</b>	<b>Position occupied in the Company (director, trustee, shareholder<sup>2</sup>)</b>	
<b>3.4</b>	<b>Company Registration Number</b>	
<b>3.5</b>	<b>Tax Reference Number</b>	
<b>3.6</b>	<b>Vat Registration Number</b>	

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.		
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.		

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

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

<sup>2</sup>"Shareholder"<sup>""</sup> 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.

3.10	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 a bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid?	Yes	No
3.11.1	If yes, furnish particulars.		
3.12	Are any of the company's directors, managers, principal 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, managers, principal 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, principal 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 Names	Identity Number	State Employee Number

<b>Name of Bidder</b>			
<b>Signature</b>		<b>Name (print)</b>	
<b>Capacity</b>		<b>Date</b>	

**13. MBD 6.1: PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022**

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

**NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF EQUITY OWNERSHIP BY HISTORICALLY DISADVANTAGED INDIVIDUAL (HDI`S), AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022.**

**GENERAL CONDITIONS**

1. The following preference point systems are applicable to all bids:

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

The value of this bid is estimated to either exceed or not exceed R50 000 000 (all applicable taxes included)

and therefore the 80/20 or 90/10 preference point system shall be applicable or

2. Points for this bid shall be awarded for:

- (a) Price; and
- (b) Specific contract participation goals, as specified in the attached forms.

4. The maximum points for this bid are allocated as follows:

		<b>POINTS</b>	
<b>1. Price</b>		80	90
<b>2. Specific Contract Participation Goals</b>		<b>20</b>	<b>10</b>
<b>2.1 Historically Disadvantaged Individuals</b>		<b>16</b>	<b>8</b>
2.1.1 Who had no franchise in national elections before the 1983 and 1993 Constitution (black people)	8 / 4		
2.1.2 Who is female	4 / 1		
2.1.3 Who has a disability and / or Youth	2 / 1		
2.1.4 Who is Youth	2 / 1		
<b>2.2 Other Specific goals (Local Economic Development goals of the RDP)</b>		<b>4</b>	<b>2</b>
2.2.1 Business operations within Amajuba District – rural development initiatives	4 / 2		
<b>Total points for Price and HDI principles must not exceed</b>		<b>100</b>	

**To claim specific goals listed under 2.2 above the Municipal water and light account in the name of the company or individual in case of Sole proprietor must be submitted.**

1.5 Failure on the part of a bidder to submit proof of claim together with the bid, will be interpreted to mean that preference points for advancement of past imbalances are not claimed.

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

## 2. DEFINITIONS

- (a) **“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:

$$\begin{array}{ccc}
 \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\
 \\
 \mathbf{Ps = 80 \left( 1 - \frac{Pt - Pmin}{Pmin} \right)} & \mathbf{or} & \mathbf{Ps = 90 \left( 1 - \frac{Pt - Pmin}{Pmin} \right)}
 \end{array}$$

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

**POINTS AWARDED FOR PRICE**

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

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

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 (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
<b>Category 1: Ownership -Historically Disadvantage Individuals by unfair discrimination (No franchise in elections before 1983 &amp; 1993 Constitution</b>		<b>16</b>		
➤ Race		8		
➤ Female		4		
➤ Disability		2		
➤ Youth		2		
<b>Category 2: Reconciliation and Development Programme (Government Gazette no.: 16085 dated 23 November 1994)</b>		<b>4</b>		
➤ Promotion of Local Enterprises (within Amajuba District: municipal & rural areas)		4		
<b>TOTAL</b>		<b>20</b>		

**DECLARATION WITH REGARD TO COMPANY/FIRM**

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

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

- Y Partnership/Joint Venture / Consortium
  - Y One-person business/sole propriety
  - Y Close corporation
  - Y Public Company
  - Y Personal Liability Company
  - Y (Pty) Limited
  - Y Non-Profit Company
  - Y 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:** .....  
.....  
.....  
.....

**14. MBD 8: DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES**

1. This Municipal Bidding Document must form part of all bids invited.
2. It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are to combat the abuse of the supply chain management system.
3. **The bid of any bidder may be rejected if the bidder, or any of its directors have:**
  - a) Abused the Municipality'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) Wilfully neglected, reneged or failed to comply with any government, municipal or public sector contract during the past five years; or
  - d) Been listed in the Register for Bid Defaulters in terms of section 29 of the Prevention and Combating of Corruption Activities Act (No 12 of 2004).
4. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

ITEM	QUESTION	YES	NO
4.1	<p>Is the bidder or any of its directors listed on the National Treasury's database as a company or person prohibited from doing business with the public sector?</p> <p><b>(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 audit alteram partem rule was applied).</b></p> <p><b>The database of Restricted Suppliers now resides on the National Treasury`s website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</b></p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>Is the bidder or any of its directors listed on the Register for Bid Defaulters in terms of section 29 of the Prevention and Combating of Corruption Activities Act (No 12 of 2004)?</p> <p><b>(The Register for Bid Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b></p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		

ITEM	QUESTION	YES	NO
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
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 any other municipality/municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality/ municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.5.1	If so, furnish particulars:		

**CERTIFICATION**

I, THE UNDERSIGNED (FULL NAME) \_\_\_\_\_  
**CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM TO BE 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.**

<b>Name of Bidder</b>			
<b>Signature</b>		<b>Name (print)</b>	
<b>Capacity</b>		<b>Date</b>	

### **15. MBD 9: CERTIFICATE OF INDEPENDENT BID DETERMINATION**

1. This Municipal Bidding Document (MBD) must form part of all bids<sup>1</sup> invited.
2. Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).<sup>2</sup> Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
3. Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
  - a. take all reasonable steps to prevent such abuse;
  - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
  - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
4. This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
5. In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids and proposals.

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

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

\_\_\_\_\_

(Bid Number and Description)

in response to the invitation for the bid made by:

\_\_\_\_\_

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of: \_\_\_\_\_ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - a. has been requested to submit a bid in response to this bid invitation;
  - b. could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - c. provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
  - a) prices;
  - b) geographical area where product or service will be rendered (market allocation)
  - c) methods, factors or formulas used to calculate prices;
  - d) the intention or decision to submit or not to submit, a bid;
  - e) the submission of a bid which does not meet the specifications and conditions of the bid;
  - or
  - f) bidding with the intention not to win the bid.

8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
  
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
  
10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

<b>Name of Bidder</b>			
<b>Signature</b>		<b>Name (print)</b>	
<b>Capacity</b>		<b>Date</b>	

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



## SPECIFICATIONS

**TERMS OF REFERENCE FOR FRAMEWORK CONTRACT FOR HIRE OF PLANTS,  
TRANSPORT AND EQUIPMENT ON AN AS WHEN REQUIRED BASIS FOR A PERIOD OF  
36 MONTHS**

## 16. TERMS OF REFERENCE FOR FRAMEWORK CONTRACT FOR HIRE OF PLANTS, TRANSPORT AND EQUIPMENT ON AN AS WHEN REQUIRED BASIS FOR A PERIOD OF 36 MONTHS

### 1. EXTENT OF CONTRACT

This contract comprises the framework contract for hire, transport and equipment by the Municipality as and when required of one or more of the following machines at rates and on terms in accordance with the contract. Work will be allocated on rotational basis.

The contract shall be valid for a period of 36 months from the date of appointment.

### 2. TYPE OF MACHINES

#### Operated Plant and Non-operated Plant

As per the BOQ

#### Hydraulic Excavators

Project requirement: 102 kW – 123 Kw

#### Combination front end loaders/back actors

Project requirement: 57-60 kW; 61-69kW; 70-75kW; 76-80kW; 90+ kW

#### Graders

Project requirement: 93 kW – 120 kW

#### Water tankers

Project requirement: 10000 litres to 18000 litres

#### Tip trucks

6 m<sup>3</sup> payload capacity (6000 kg)

10 m<sup>3</sup> payload capacity (10 000 kg – 12 000 kg)

12 m<sup>3</sup> payload capacity (12 000 kg – 16 000 kg)

20 m<sup>3</sup> payload capacity (20 000 kg – 22 000 kg)

### 3. WORKS TO BE CARRIED OUT IN ACCORDANCE WITH CONTRACT

The Contractor, at his own risk, in a proper and workmanlike manner, is to carry out the works in accordance with the directions and to the entire satisfaction of the Engineer in accordance with the Conditions and Specification and in accordance with such further directions and explanations as may from time to time be given by the Engineer and at all times the Contractor must ensure that the instructions and safety precautions be adhered to.

### 4. CLERK OF WORKS

If a Clerk of Works shall be appointed at the site of works, he shall be considered solely as Inspector and Examiner of the progress of the work on behalf of the Municipality and the Engineer, and under the direction of the Engineer, and the Contractor shall afford him every facility for examining the work and materials. The Clerk of Works shall be deemed to have no authority to bind the Engineer or the Municipality in any respect whatever.

5. **NIGHT AND HOLIDAY WORK**

No night work, except where reasonably necessary and with the Municipality's approval, shall be done on this Contract.

6. **PRISON LABOUR**

Prison or convict labour shall not be employed on the works, or engaged thereon in any capacity or manner whatever.

7. **METALS, MINERALS, PRECIOUS STONES, ETC.**

All metals, minerals or precious stones and all fossils, coins or other articles of antiquity or value which may be discovered on the site during the execution of the contract are, between the Municipality and the Contractor, the property of the Municipality and shall be immediately handed over to the Municipality.

8. **SAND AND GRAVEL**

Any sand, gravel, timber or other useful material found upon the site may, with the previous approval of the Municipality, be used upon the construction of the works, but no such material shall be removed from the site or sold by the Contractor.

9. **CONTRACTOR RESPONSIBLE**

The Contractor shall at all times be held entirely responsible for the safety of his own staff and equipment.

10. **ACCIDENTS TO BE REPORTED**

In addition to any statutory obligations the Contractor shall report to the Municipality all accidents within 48 hours of their occurrence whether such accidents are in respect of damage to the Works or to persons, property or things. If required by the Municipality the report shall be in writing and shall contain full details of the occurrence. The Municipality shall have the right to make all and any enquiries, either on the site of the Works or elsewhere, as to the cause and results of such accidents, and the Contractor shall give the Municipality full facilities for carrying out such enquiries.

11. **ALTERATIONS BY BIDDER**

Should the bidder desire to make any alterations in any part of the Contract documents, specific mention must be made when bidding in a covering letter. No such alterations shall be considered unless so noted. (Please also note "Annexure A")

12. **SITE OF WORKS**

Except for long distance haulers all work will be within the duration of the municipality

13. **PROPOSED CONDITIONS**

Bidders must submit their conditions inclusive of rates with reference to:

**Operated/Non-Operated**

- (a) Working time rate ..... R.c./hour
- (b) Idling time rate\* ..... R.c./hour
- (c) Capacity material loaded ..... R.c. / m<sup>3</sup>
- (d) Delivery loaded material ..... m<sup>3</sup> / km
- (e) Rip and load ..... R.c./ m<sup>3</sup>
- (f) Minimum time ..... Hours/Days
- (g) Delivery or removal ..... R / trip
- (h) Transport to or from Newcastle..... R / trip

\* Idling time will not be applicable unless payment is being made on an hourly basis.

It will be endeavoured to work from 07:15 until 12:00 and 12:30 until 15:45 (8 hours per day). Longer working hours may be arranged with the Municipality in exceptional cases. The normal total of working hours per day shall be 8 hours.

**SPECIAL NOTE:** The attention of the Contractor is drawn to the fact that during disruption of work due to the action of the Contractor no payment will be effected, i.e. during time at refueling, repair work, tea time, lunch breaks, etc. The bid unit rates must be fully inclusive to provide for these incidents caused by the Contractor and/or his staff.

Rates for operated plant shall be inclusive of an operator and fuel. Bidders must state whether such rates are firm for the duration of the contract or, if not, the basis of any variations. Permission may be obtained to store fuel, oil and grease on the site. The Contractor must provide his own watchman. Plant and fuel are stored at the Contractor's own risk.

Non-operated plant shall be delivered filled with fuel (where applicable) and will be filled by the Municipality afterwards.

The Contractor must make his own arrangement for the accommodation for operators.

**13.1 The Municipal's Authority to stop the work:**

Refusal or failure of the Contractor's operator to exercise due care and to take the necessary safety precautions when working near services in the execution of the work, shall be sufficient cause for the Municipality to stop the work until these requirements have been complied with to the satisfaction of the Municipality.

**13.2 Method of work and services:**

All known underground services and street furniture will be shown on plans and markers will be established on site to guide the operator in this regard. It is possible that it will be a requirement of both Telkom and the Electricity Services Department that the works be completed prior to removal/replacement of their services. It is also possible that the relevant Department may elect to maintain its services in its present location for the duration of the construction.

It is, therefore, obvious that in certain areas the Contractor and his operator must make allowance for working in the vicinity of the existing live cables and other obstacles. Plant, equipment and machinery will only be allowed to work within a safe distance from these services during excavation. Special attention and particular care shall be taken in these cases to avoid the services being damaged.

**13.3 Idling time, working time, etc.**

(a) **Idling time** is when a machine is delayed in carrying out the work for which it was hired for such reasons as having to wait while other machines carry out their operation. Working time is the time the machine is engaged in physical effort performing its duties.

(b) **Standing time** is when the machine is not required on site or has broken down or is unable to work because of weather conditions or has completed the task for which it was ordered and this time will not be paid for.

When a machine is unable to work due to a service or services having been damaged by it or any other machine working on site, then the time until work is able to recommence will be classified as standing time.

(c) **Minimum time** is the minimum number of hours for which payment will be made whenever a piece of equipment is hired, irrespective of whether the machine has worked that time.

The aforesaid time will be measured in hours to the nearest quarter hour.

#### 13.4 **Delivery or Removal**

The item allowed in the rates for delivery or removal is for one amount to cover bringing the item of plant to the site **or** removing the item of plant from the site to an alternative site **or** returning the item of plant to the contractor's depot on completion of the work. Should the bidder out of his own accord, remove the item of plant from the site, no further payment will be made for his expenses in returning the item of plant to the same site when it is required.

**Special Note:** The rate under "Delivery or Removal" as in 1.16.4 will apply for the moving of an item of plant within Newcastle to and from the Contractor's Depot (i.e. only in the Newcastle Area).

#### 13.5 **Delivery sites**

The item shall be delivered on the work at a site anywhere within the Newcastle Municipal area.

### 14. **PLANT TO BE FULLY SERVICEABLE**

- (a) All plant hired by the Municipality in terms of this contract shall be in full working and serviceable condition and shall be capable of carrying out the work for which it is supplied.
- (b) If any item of plant made available to the Municipality in terms of this contract is in the opinion of the Municipality not fully serviceable, not able to deliver the expected, or, as a result of poor condition and service breaks down frequently, the Municipality shall have the right to require the Contractor to remove the plant from the site and replace it with plant in good working order.
- (c) Where in the opinion of the Municipality, the Contractor supplied defective plant at such frequency that it results in undue delay in the works to be constructed with the plant, or are

frequently unable to supply the plant when required (i.e. after three requests) the Municipality **shall have the right to cancel the contract.**

15. **SUBSTITUTION**

15.1 Only the plant stipulated in the bid will be permitted to operate.

15.2 In exceptional circumstances, the Municipality may, in his discretion, permit the Contractor to substitute, either temporarily or for a limited period, another item in place of that accepted in the bid. The substitute item shall be subject to the same conditions of contract as the original and shall in no way be inferior to the original. The substitute item shall replace the original item and shall be hired at the rates in the schedule of prices for the original.

16. **CONTRACTOR'S OPERATOR TO EXERCISE DUE DILIGENCE**

The Contractor shall employ in and about the execution of the Works only persons who are careful, competent and efficient in their several trades and callings, and the Municipality shall be at liberty to object to and require the Contractor to remove from the works forthwith any person employed by the Contractor in or about the execution of the works who in the opinion of the Municipality misconducts himself or is incompetent or negligent in the proper performance of his duties and such person shall not be again employed upon the works without the permission of the Municipality.

If, at any time, the Municipality is of the opinion that the operator does not co-operate and in the event that full output of the plant is not being obtained due to lack of diligence of the operator, he will inform the Contractor who shall have the right to require the replacement of an Operator who is not exercising due diligence.

17. **TIME OF DELIVERY**

The Bidder shall state in his bid the notice required to deliver on site any of the items of plant covered by his contract.

18. **TERMS OF PAYMENT**

Payment will be effected only once a month.

19. **TERMINATION OF CONTRACT**

In the event of the Contractor not complying with the conditions of this contract, the Municipality reserves the right to cancel the contract or any part thereof.

20. **RATES TO BE INCLUSIVE**

The rates quoted by Bidders shall include provision of all obligations of the Contractor as set out in this specification and include for all wages, supervision, profit, overheads, insurance, holidays with pay, workmen's compensation, housing, fuel, and everything necessary to execute the work to the satisfaction of the Strategic Executive Director: Technical Services. Only Bidders accepting the aforesaid will be considered by the Municipality.

It must be clearly understood that the Municipality will not supply any fuel, oil, grease, fittings or anything else necessary for the operation of the plant.

21. NOTE: holiday, Saturday and Sunday work shall be normal rates.

22. **UNIT RATES TO INCLUDE FOR SPECIAL RISKS, LIABILITIES AND OBLIGATION**

No separate items are provided in the bid documents for the Contractor's obligations described in the specification.

The Contractor's obligations and his liabilities and obligations under the General Conditions of Contract and/or the Special Conditions of contract shall not be limited by anything appearing in the specification.

The cost of all the aforesaid obligations and liabilities shall be fully covered in the unit rates bid.

23. **INSURANCE**

The Bidder is referred to Part C: Insurance and Special Conditions on Contract for the details and prescribed requirements concerning insurance.

**17. EVALUATION CRITERIA**

The tenderers must indicate by ticking in the appropriate box for the section that they wish to be considered for:

- : Supply of Construction plant & equipment
- : Supply of waste management plant
- : Supply of Rescue Pumper and Tanker Pumper Fire Engines

NB: Relevant attachments must be provided for each section of interest.

**The bid shall be evaluated in three (3) stages as follows: -**

- Stage 1: Administrative compliance
- Stage 2: Mandatory requirements
- Stage 3: Objective criteria

**Stage 1: Administrative compliance**

The Municipality has prescribed minimum administrative requirements that must be met by the bidders, to determine if the bid qualifies to be recognized as an acceptable bid, for further evaluation. In this regard administrative compliance will be carried out to determine whether the bidder's bid comply with the set minimum requirements on administration.

- Water and lights account in the name of tendering entity
- Tax Status, CSD registration
- Verification if not listed under tender defaulters.
- Signing of MBD 1
- Declaration of interest – MBD 4
- All forms must be completed in full.

**Stage 2: Mandatory requirements**

The following pre-qualification criterions will form part of bid evaluation process, and these Requirement is a key component in determining the capacity and capabilities in executing a contract and failure to comply with these requirements will result in automatic disqualification of your bid.

**Supply of construction plant and equipment and Supply of waste management plant.**

Mandatory requirements - Note: All machines must be new to 5 years old.	Please tick the appropriate box	
	Yes	No
Company's experience for provision of similar service into government entities. <b>Portfolio of Evidence:</b> Appointment letter together with a reference letter.		
Proof of ownership plant and equipment. <b>Portfolio of Evidence:</b> Certified copies of logbook or lease agreements.		

**Supply of Rescue Pumper and Tanker Pumper Fire Engines**

Mandatory requirements - Note: All machines must be new to 10 years old.	Please tick the appropriate box	
	Yes	No
Company's experience for provision of similar service into government entities. <b>Portfolio of Evidence:</b> Appointment letter together with a reference letter.		
Proof of ownership plant and equipment. <b>Portfolio of Evidence:</b> Certified copies of logbook or lease agreements.		

Multiple service providers with market related rates would be appointed onto this framework arrangement, work will only be allocated on the rotational basis to bidders enlisted in the framework arrangement on an as when required bases for a period of 36 months. **During the work allocation stage, the successful service provider/s will be required to conduct a roadworthy test with the Traffic Department. No municipal purchase order will be issued until the roadworthy test has been completed.**

**Stage 3: Objective criteria**

In terms of Preferential Procurement Regulation 11 and section 2(1) (f) of the Preferential Procurement Policy Framework Act, the following are the objective criteria:

- The risk of fruitless and wasteful expenditure to Newcastle Local Municipality;
- The risk of Irregular expenditure to Newcastle Local Municipality;
- The risk of poor project and contract management on existing project with Newcastle Local Municipality;
- The risk of an abnormally low bid; and
- The risk of a material irregularity.

The Municipality reserves a right to apply objective evaluation criteria should the recommended bidder pose any of the above-mentioned risks after assessment, Newcastle Local Municipality after ascertaining sufficient information will not make an award to the bidder exposing the Municipality to one or more of the above-mentioned risks.

**18. PRICING SCHEDULE**

**NOTE:**

1. All delivery costs **MUST** be included in the bid price, for delivery at the prescribed destination.
2. Document **MUST** be completed in non-erasable black ink.
3. **NO** correction fluid/tape may be used. In the event of a mistake having been made, it shall be crossed out in ink and be accompanied by an initial at each and every alteration.
4. The Bidder **MUST** indicate whether he/she/the entity is a registered VAT Vendor or not.
  - In the case of the Bidder not being a registered VAT Vendor, both columns (amount/rate excluding AND including VAT) must reflect the same amount.

I / We \_\_\_\_\_

(full name of Bidder) the undersigned in my capacity as \_\_\_\_\_

of the firm \_\_\_\_\_

hereby offer to Newcastle Municipality to render the services as described, in accordance with the specification and conditions of contract to the entire satisfaction of the Newcastle Municipality and subject to the conditions of tender, for the amounts indicated hereunder:

	INDICATE WITH AN „X“									
Are you/is the firm a registered VAT Vendor	YES					NO				
If “YES”, please provide VAT number										

**Escalation of Offer Prices**

(Prices will be fixed for first 12 months and thereafter subject to escalation)

Expected escalation of prices after 12 months .....

Expected escalation of prices after 24 months .....

<b>Name of Bidder</b>			
<b>Signature</b>		<b>Name (print)</b>	
<b>Capacity</b>		<b>Date</b>	



**BID NO.: A016-2024/24**

**FRAMEWORK CONTRACT FOR HIRE OF PLANT AND EQUIPMENT**

**ACTIVITY SCHEDULE OR BILL OF QUANTITIES**

FRAMEWORK CONTRACT FOR HIRE OF PLANT, TRANSPORT AND EQUIPMENT ON AN AS WHEN REQUIRED BASIS FOR A PERIOD OF 36 MONTHS

ITEM NO.	DESCRIPTION	UNIT	QTY	RATE IN RANDBS INCLUDING VAT YEAR 1	DELIVERY AND REMOVAL (PER TRIP) YEAR 1	RATE IN RANDBS INCLUDING VAT YEAR 2	RATE IN RANDBS INCLUDING VAT YEAR 3
1	Bulldozer (D6)	Hr	1				
2	Front-end loaders (980)	Hr	1				
3	Hydraulic excavators Track type	Hr	1				
4	Combination front-end loader and back actor	Hr	1				
5	Graders (140G)	Hr	1				
6	Mechanical horse and lowbed	Hr	1				
7	Rollers – smooth wheel (12 Ton)	Hr	1				
8	Rollers – smooth wheel (30 Ton)	Hr	1				
9	Rollers – smooth wheel (21 Ton)	Hr	1				
10	Rollers – Vibrating (self-propelled)	Hr	1				
11	Rollers – pneumatic (self-propelled)	Hr	1				
12	Rollers – vibrating roller (towed) (complete with tractor)	Hr	1				
13	Vibrating roller (only)	Hr	1				
14	Rollers – sheepfoot (complete with towing unit and operator) (30 Tone)	Hr	1				

FRAMEWORK CONTRACT FOR HIRE OF PLANT, TRANSPORT AND EQUIPMENT ON AN AS WHEN REQUIRED BASIS FOR A PERIOD OF 36 MONTHS

15	Rollers – sheepfoot (complete with towing unit and operator) (12 Tone)	Hr	1				
16	Rollers – Grid roller (complete with towing unit and operator)	Hr	1				
17	Flatbed truck with crane	Hr	1				
18	Tip truck (with driver) 6m <sup>3</sup> (complete with tailgate)	Hr	1				
19	Tip truck (with driver) 10m <sup>3</sup> (complete with tailgate)	Hr	1				
20	Tip truck (with driver) 12m <sup>3</sup> (complete with tailgate)	Hr	1				
21	Tip truck (with driver) 20m <sup>3</sup> (complete with tailgate)	Hr	1				
22	Water tanker (water delivery) (1000 Litres)	Hr	1				
23	Water tanker (water delivery) (16000 Litres)	Hr	1				
24	Water tanker (water delivery) (18000 Litres)	Hr	1				
25	Half – 1 Ton trucks	Km	1				
26	Single cabs: LDV (1 Ton)	Km	1				
27	Double cabs: LDV (1 Tone)	Km	1				
28	Mechanical broom	Hr	1				
29	Cherry Picker Forklifts	Hr	1				

FRAMEWORK CONTRACT FOR HIRE OF PLANT, TRANSPORT AND EQUIPMENT ON AN AS WHEN REQUIRED BASIS FOR A PERIOD OF 36 MONTHS

30	Cherry Picker Truck	Hr	1				
31	Asphalt paver	Hr	1				
32	Milling machine	Hr	1				
33	Walk behind roller	Hr	1				

**WASTE MANAGEMENT PLANT**

ITEM NO.	DESCRIPTION	UNIT	QTY	RATE IN RANDBS INCLUDING VAT YEAR 1	DELIVERY AND REMOVAL (PER TRIP) YEAR 1	RATE IN RANDBS INCLUDING VAT YEAR 2	RATE IN RANDBS INCLUDING VAT YEAR 3
34	Double Cabin Pickup Truck (2.5 Tone)	Hr	1				
35	Hydraulic excavator with a jackhammer	Hr	1				
36	26-ton Compactor to service 1.1. and 1.75 bulk container	Hr	1				
37	Grab Truck	Hr	1				
38	Roll-on Truck to service 30cubic containers	Hr	1				
39	High powered generator- range to up to 3000kW, three phase with voltage output upto 480V and frequency upto 60Hz. Engine- Diesel reliable for high-output with a cooling system and cylinders	Hr	1				
40	Submissible pump with flow rates up to 5000l/min	Hr	1				

**FIRE ENGINE PLANT**

ITEM NO.	DESCRIPTION	UNIT	QTY	RATE IN RANDB INCLUDING VAT YEAR 1	DELIVERY AND REMOVAL (PER TRIP) YEAR 1	RATE IN RANDB INCLUDING VAT YEAR 2	RATE IN RANDB INCLUDING VAT YEAR 3
41	Rescue Pumper Fire Engine – with 3000lt water capacity and fully equipped with firefighting and hydraulic rescue tools	Km	1				
42	Tanker Pumper- minimum of 5000lt water capacity and fully equipped with firefighting equipment	Km	1				

**NOTES:**

**PRICE SHOULD INCLUDE VAT AND IN ALL AREAS OF THE JURISDICTION OF NEWCASTLE (CHARLESTOWN, INGOGO, MADADENI, OSIZWENI, NGAGANE AND KILBARCHAN)**

**TRACKER DEVICES MUST BE INSTALLED IN LDV's**

**DRY RATES ARE FOR LDV AND WET RATES FOR OTHER ITEMS.**

**SELF PROPELLED PLANT DO NOT REQUIRE DELIVERY RATES.**

**THE NUMBER OF TENDERERS ACCEPTED FOR THE BID WILL BE AT THE DISCRETION OF THE MUNICIPALITY.**

**SECTION 1**

**ANNEXURE "A" TO THE SPECIFICATIONS**

**PROPOSED ALTERATIONS TO THE SPECIFICATIONS ETC.**

CLAUSE NO.	ALTERATIONS OR ADDITIONS	Rate

**19. SCHEDULE OF SIMILAR WORK EXPERIENCE OF THE BIDDER**

Employer (Name, Tel, Fax, Email)		Contact person (Name, Tel, Fax, Email)		Nature of Work	Value of Work (Incl. Vat)	Date Completed/ Duration
Name		Name				
Tel		Tel				
Fax		Fax				
Email		Email				
Name		Name				
Tel		Tel				
Fax		Fax				
Email		Email				
Name		Name				
Tel		Tel				
Fax		Fax				
Email		Email				
Name		Name				
Tel		Tel				
Fax		Fax				
Email		Email				
Name		Name				
Tel		Tel				
Fax		Fax				
Email		Email				

Attach additional pages if more space is required.

Number of sheets appended by the tenderer to this schedule (If nil, enter NIL)	
--	--

<b>Name of Bidder</b>			
<b>Signature</b>		<b>Name (print)</b>	
<b>Capacity</b>		<b>Date</b>	

**20. SCHEDULE OF OMISSIONS AND VARIATIONS FROM THE SPECIFICATION**

**(To be completed by the Bidder)**

Tenders will be held to be entirely in accordance with the Department's specification except in the respects stated hereunder and goods will be subject to rejection if it is found on delivery that it does not comply with the prescribed specification.

---

---

---

If the tender complies with the specification in all respects, the tenderer must state so here:-

---

---

---

---

NAME OF TENDERER (IN FULL):

NAME OF PERSON AUTHORISED TO SIGN THIS TENDER (IN FULL):

**NAME OF TENDERER** : \_\_\_\_\_

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

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

**PLACE** : \_\_\_\_\_

**21. DECLARATION BY BIDDER**

I / We acknowledge that I / we am / are fully acquainted with the contents of the conditions of tender of this tender document and that I / we accept the conditions in all respects.

I / We agree that the laws of the Republic of South Africa shall be applicable to the contract resulting from the acceptance of \*my / our tender and that I / we elect domicillium citandi et executandi (physical address at which legal proceedings may be instituted) in the Republic at:

---



---



---

I / We accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving in me / us under this agreement as the principal liable for the due fulfilment of this contract.

I / We furthermore confirm I / we satisfied myself / ourselves as to the corrections and validity of my / our tender; that the price quoted cover all the work / items specified in the tender documents and that the price(s) cover all my / our obligations under a resulting contract and that I / we accept that any mistake(s) regarding price and calculations will be at my / our risk.

I / We furthermore confirm that my / our offer remains binding upon me / us and open for acceptance by the Purchases / Employer during the validity period indicated and calculated from the closing date of the bid.

<b>Name of Bidder</b>			
<b>Signature</b>		<b>Name (print)</b>	
<b>Capacity</b>		<b>Date</b>	
<b>Witness 1</b>		<b>Witness 2</b>	



## **PART C– INSURANCE AND SPECIAL CONDITIONS ON CONTRACT**

## **INSURANCES**

### **INSURANCES - SPECIAL CONDITIONS OF CONTRACT**

1. The Bidder's attention is drawn to the fact that these Special Conditions shall apply to Section 1 - FRAMEWORK CONTRACT FOR HIRE of Plant, Transport and Equipment.

2. **INSURANCE**

Insurance not covered by the Municipality, must be arranged by the Contractor at his own expense.

The Contractor shall comply with all the provisions of the Workmen's Compensation Act, the Motor Vehicle Insurance and the Road Transport Ordinance and shall produce satisfactory proof of such compliance to the Municipality or Engineer if required to do so.

The Contractor shall also insure with an Insurer, his liability at law for bodily injury to any person in his employ and shall produce satisfactory proof of such insurance.

Subject to the Terms, Exceptions and Conditions of the Policy:

- (a) The Contractors' Works Indemnity section, i.e. Sections I and II, which provide cover against physical loss or damage to the Works and temporary works and materials to be incorporated into the Works and Section III which provides cover against loss or damage to plant and equipment does not apply to this particular contract as far as the insurance cover by the Municipality is concerned.
- (b) Section IV provides indemnity, up to the limit stated, against legal liability for accidental death of or injury to third party persons and/or loss of or damage to third party property arising out of or in connection with the carrying out of the Contract. The Municipality will receive any monies which become payable as the result of a claim under this insurance and will pay such amount to the party rectifying, repairing or reinstating the damage.

The amount Deductable (First Amount Payable) for which the Contractor is responsible is set out in the appendix at the end of this section.

3. **SCOPE OF COVER PROVIDED BY THE MUNICIPALITY**

Any clarification of the scope of cover provided by the Municipality's policy should be obtained from the Municipality's Insurance Brokers, before bidding.

4. The Municipality shall pay all premiums and stamp duty in connection with the insurance effected by the Municipality.
5. The Contractor shall be free to effect at his own cost any additional insurance which he deems necessary in his own interest to cover loss or damage not insured in terms of the insurance effected by the Employer.
6. Submission of a bid shall be construed as acceptance by the Contractor that he is satisfied with the insurance cover effected by the Municipal supplemented by any additional insurance which cost he shall cover in the unit rates bid.

7. The Contractor shall give all notices and observe all conditions and requirements imposed by any and all relevant insurance policies which shall be read as being part of the bidding documents and which shall be binding on the Contractor.
8. In the event of any occurrence which is likely to give rise to a claim under the insurances effected by the Municipality, the following procedure shall be adhered to:
  - (i) In addition to any statutory requirements and/or other requirements contained in the Conditions of Contract, the Contractor shall immediately notify the Municipality's Insurance Brokers, giving the circumstances, nature and an estimate of the loss or damage.
  - (ii) The Contractor shall when required, complete a claim advice form, available from the Municipality's Insurance Brokers, to whom the form shall be returned without delay.
  - (iii) The Contractor shall afford all access to the representatives of the Insurers for the purpose of assessment of any loss or damage.
  - (iv) Negotiations on the settlement of claims shall be conducted by the Contractor/Subcontractor with the Insurers through the Municipality's Insurance Brokers.
9. Any claims against the Insurance effected by the Municipality shall be subject to the Contractor being responsible for the payment of the amount stated in the appendix at the end of this section as being the Deductible (First Amount Payable) as defined in the Policy.
10.
  - (i) After deduction of the Deductible (First Amount Payable), any monies which become payable as a result of a claim under the Insurance effected by the Municipality in terms of this Clause, shall be paid to the Municipality who shall pay such amount to the Contractor or the party rectifying, repairing or reinstating the loss or damage but this shall in no way affect the Contractor's obligations in terms of the Contract.
  - (ii) In addition to any statutory obligations, or other requirement contained in the Conditions of Contract, the Contractor shall report to both the Engineer and the Municipality's Insurance Brokers every accidental damage to persons or property. If required by the Engineer or the Municipality's Insurance Brokers, the report shall be in writing and contain full details of the occurrence. The Engineer and/or the Employer's Insurers shall have the right to make all and any enquiries either on the site of the Works or elsewhere as to the cause and results of any such accident and the Contractor shall give the Engineer and/or the Municipality's Insurers full facilities for carrying out such enquiries.
11. **COVER TO BE PROVIDED BY THE CONTRACTOR**

Other insurances required to be provided by the Contractor and/or Subcontractor in terms of these Special Conditions of Contract before commencing work include the following:

  - (a) Insurance of Workmen in accordance with the provisions of the Workmen's Compensation Act (also see Clause 13).
  - (b) Employers Common Law Liability.
  - (c) "All risks" Insurance on Constructional Plant.

(d) Motor Vehicle Liability Insurance comprising:

- (i) Insurance in accordance with the Motor Vehicle Insurance Act, and
- (ii) Balance of Third Party Motor Risks.
- (iii) Public liability and indemnity insurance

**12. SUPPLEMENTARY COVER – ADDITIONAL INSURANCES BY CONTRACTOR**

(a) Should the Contractor consider that the cover provided by the Employer's Insurance is not adequate he may himself arrange, at his own cost, supplementary cover.

**N.B.** The Contractor shall provide to the Municipality's Insurance Brokers such details as they may require in respect of the cover which he has affected.

(b) The Contractor and Subcontractors shall be required to effect and maintain, at their own cost, any additional insurances which they deem necessary to cover damage, loss or injury not insured in terms of the Insurance effected by the Municipality. Such insurance shall be effected with an Insurer and in terms approved by the Municipality (which approval shall not be unreasonably withheld) and the Contractor shall, when required, produce to the Municipality's Insurance Brokers the policy or policies of insurance and the receipts for payment of the current premiums.

(c) As Section III of the policy annexed hereto at the end of this section does not apply to this Contract, the Contractor shall insure all Constructional Plant owned, leased or hired brought on to the site against all risks of physical loss or damage for the period such plant shall be on the site to the full value thereof.

In respect of plant brought on to the site by or on behalf of Subcontractors the Contractor shall be deemed to have complied with the provisions of this sub-clause by ensuring that such Subcontractors have similarly insured such plant. Such insurances shall be effected with an Insurer and in terms approved by the Municipality (which approval shall not be unreasonably withheld) and the Contractor shall, when required, produce to the Municipality's Insurance Brokers the policy or policies of insurance and receipts for payment of the current premiums.

The Contractor shall when entering into any subcontract for the execution of any part of the Works incorporate in such subcontract (by reference or otherwise) the provisions of this Clause in relation to construction plant and materials, FRAMEWORK CONTRACT FOR HIRE plant and FRAMEWORK CONTRACT FOR HIRE purchase plant brought on to the site by the Subcontractor.

**13. INSURANCE AGAINST ACCIDENT, ETC. TO WORKMEN**

The Contractor shall insure against such aforesaid liability and shall continue such insurance during the whole of the time that any person are employed by him on the works and shall produce to the Chief Financial Officer such policy of insurance and the receipt of the payment of the current premium when required. Provided always that in respect of any persons employed by any Subcontractor the Contractor's obligation to insure as aforesaid under this Sub-clause shall be satisfied if the Subcontractor shall have insured against the

liability in respect of such persons in such manner that the Municipality is indemnified under the policy but the Contractor shall require such Subcontractor to produce to the Town Treasurer such policy of insurance and the receipt for payment of the current premium, when required.

14. The Bidder's attention is however drawn to the fact that he shall be responsible for damage to property, works or services arising from negligence or failure to observe safety precautions (warnings or instructions) either by him or one of his employees. However, the Municipality will provide for Insurance against damage, injury, death or loss to third parties or third party property arising from negligence by the Contractor or his employees.

15. **ALL INSURANCE AND GENERAL**

The successful Contractor or Contractors must provide all insurances and indemnify the Municipality from all claims from any source whatsoever arising as a result of his or their work and must provide acceptable proof of these insurances, if so required, to the Town Treasurer except for insurance against damage, loss, death or injury to third parties or third party property arising from negligence by the Contractor, contractors or his or their employees as this cover will be arranged by the Municipality.

16. **LOCAL AUTHORITY**

All material to be used and all work under the contract shall be in accordance with the bylaws of the local authority. Regulations causing any deviation from this contract shall not affect the contract price in any way.

17. **LAWS AND REGULATIONS TO BE COMPLIED WITH**

(a) The Contractor shall in respect of all matters arising in the fulfilment of the contract, conform at his own expense with all laws and regulations and with all bylaws and requirements of local or other authorities which are applicable to the works, and shall in the execution of the works provide for the safety and due convenience of the public.

(a) The Contractor shall also conform with all statutory and other legal enactments and regulations in respect of machinery brought onto the site for use on the works, and shall be responsible for the duties imposed and prescribed by and under the provisions of the Mines and Works Act, as well as the Factories, Machinery and Building Works Act, as amended from time to time, also see Machinery and Occupational Safety Act (Act no. 6 of 1983) as amended, and any regulations issued thereunder, or of any act or regulations issued in modification or substitution thereof.

**S P E C I M E N**

**APPENDIX I PART C- INSURANCES**

**INSURANCE AND SPECIAL CONDITIONS OF CONTRACT**

**CONTRACT WORKS INDEMNITY**

THE INSURED having paid or agreed to pay the Provisional Premium

THE INSURERS severally agree each for the proportion set against its name to the extent and in the manner hereinafter provided to indemnify the Insured in respect of any occurrence happening during the Construction Period and the Maintenance Period.

**SECTION I : CONTRACT WORKS**

By payment or at their option by reinstatement or repair to the condition existing immediately prior to such occurrence any of the works and temporary works being erected at the site(s) in the Performance of the Contract which have suffered any sudden and unforeseen damage as a result of the occurrence for an amount not exceeding the Indemnity Limit;

and

**SECTION II : CONSTRUCTION MATERIALS**

By payment or at their option by reinstatement or repair to the condition existing immediately prior to such occurrence the material and all other things other than Constructional Plant and Equipment (being the property of the Insured or for which they are responsible) brought on the site(s) or in transit to the site(s) in the Performance of the Contract which have suffered sudden and unforeseen damage as a result of the occurrence for an amount not exceeding the Indemnity Limit;

and

**SECTION III : CONSTRUCTION PLANT AND EQUIPMENT**

By payment or at their option by reinstatement or repair to the condition existing immediately prior to such occurrence the constructional plant and equipment used on or about the site(s) and specified in the Schedule (being the property of the Insured or for which they are responsible) which have suffered sudden and unforeseen damage as a result of the occurrence for an amount not exceeding the Indemnity Limit.

**SECTION IV: PUBLIC LIABILITY**

Against all sums which the insured shall become legally liable to pay as compensation for accidental death of or bodily injury (which term includes sickness, illness and disease) to any person or for accidental damage to property arising out of the Performance of the Contract for an amount not exceeding the Indemnity Limit, and against all costs and expenses recoverable

for the Insured by any claimant in respect of any occurrence for which indemnity is provided by this Section and all legal costs and expenses incurred by the Insured with the written consent of the Insurers.

The phrase "Performance of the Contract" as used above is deemed to include preliminary site work, fabrication, construction, erection or installation."

### EXCEPTIONS

1. The Insurers shall not in terms of Section I, II and III of this Policy indemnify the Insured in respect of

- (a) loss of cash, bank notes, treasury notes, postal orders, money orders, cheques, stamps or negotiable securities of any kind;
- (b) consequential loss or damage of any kind;
- (c) any costs of replacing reinstating or making good any defective work or defective materials or wear and tear or gradual deterioration provided that notwithstanding Exception 1 (b) this Exception shall only apply to the part or parts immediately affected and shall not extend the other property for which indemnity is provided by this policy;
- (d) any loss, destruction or damage due to faulty design;
- (e) infidelity of the employees of the Insured or loss by disappearance or by shortage where such loss is revealed only by the making of an inventory or a periodic stocktaking;
- (f) loss or damage occurring during the Maintenance Period other than loss or damage for which the Contractors are liable in terms of the Contract.

2. The Insurers shall not in terms of Section KK of this Policy indemnify the Insured in respect of:-

- (a) loss of or damage to any property for which indemnity is provided by Section I of this Policy;
- (b) loss or damage occurring during transit by water or air other than at the site(s);

3. The Insurers shall not in terms of Section III of this Policy indemnify the Insured in respect of loss of or damage to any item of constructional plant due to its own breakdown or derangement but notwithstanding Exception 1 (b) this Exception shall only apply to the part or parts of the constructional plant immediately affected and shall not extend to other property.

4. The Insurers shall not in terms of Section IV of this Policy indemnify the Insured in respect of:-

- (a) Liability for damage to property for which indemnity is provided by Section I, II and III of this policy;
  - (b) liability for death of or bodily injury to any person in the employment of the Insured arising out of and in the course of such employment;
  - (c) liability for damage to property, land or buildings caused by vibration or weakening or removal of support or injury or damage to any person or property occasioned by or resulting from any such damage;
  - (d) liability assumed by the Insured by agreement unless such liability would have attached to the Insured notwithstanding such agreement but the term "agreement" shall not mean the Contract Conditions;
  - (e) so much of any compensation or claim as falls within the scope of the Motor Vehicle Insurance Act (Republic of South Africa Act no. 29 of 1942, as amended) or the Lesotho Motor Vehicle Proclamation (No. 17 of 1946, as amended) or the Botswana Motor Vehicle Insurance Proclamation (No. 18 of 1946, as amended) or the Swaziland Motor Vehicle Insurance Proclamation (No. 19 of 1946, as amended) or any other road Traffic Enactment of a similar kind or proclaimed in substitution of any or each of them and Exception 4(e) shall apply notwithstanding that no insurance in terms of the said Enactment is in force or has been affected;
  - (f) loss of or damage to the Contract Works or any property owned or held in trust or on commission by or leased, let, rented, hired or lent to the Insured or for which the Insured has otherwise assumed or acquired responsibility;
  - (g) liability arising out of work on any waterborne vessel, waterborne craft or aircraft or any part thereof.
5. The Insurers shall not in terms of this Policy indemnify any architect, quantity surveyor, engineer or consulting engineer in respect of liability for death of or bodily injury to any person or for damage to property arising out of their professional negligence.
6. The Insurers shall not in terms of this Policy indemnify the Insured in respect of:-
- (a) Penalties for non-completion of or delay in completion of the Contract or non-compliance with the Contract Conditions;
  - (b) loss of or damage to any power operated crane (other than as specified in the schedule under Specified Plant) locomotive, rolling stock, waterborne vessel, waterborne craft or aircraft or any part thereof owned, possessed or used by or on behalf of the Insured or in respect of liability resulting from or attributable to or caused by such ownership, possession or use;
  - (c) loss of or damage to or liability arising out of any trailer or mechanical propelled vehicle owned, possessed or used by or on behalf of the Insured but notwithstanding Exception 1(b) this Exception shall not apply to Constructional Machinery and Plant whilst used as a tool on or about the site(s);

- (d) loss, damage or liability which at the time of such occurrence is insured by or would, but for the existence of this Policy be insured by any other policy or policies except in respect of any excess beyond the amount which would have been payable under such other policy or policies had the insurance by this policy not been effected;
- (e) liability, loss or damage which is the responsibility of the Principal or Subcontractor and in respect of which the contract Conditions do not require the Contractor to accept responsibility or to indemnify the Principal or Subcontractor;
- (f) liability, loss or damage directly or indirectly or proximately or remotely occasioned by or arising from:
  - (i) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) civil war, mutiny, civil commotion assuming the proportions of or amounting to a popularising, military rising, insurrection, rebellion, revolution, military or usurped power or any act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrow by force of the government de jure or de facto or the influencing of it by terrorism or violence;
  - (ii) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel (and the term "combustion" shall include any self-sustaining process of nuclear fission);
  - (iii) nuclear weapons material;
  - (iv) confiscation, nationalisation or requisition or destruction of or damage to property by or under the order of any Government de jure or de facto or any public local authority.

PROVIDED ALWAYS that where the Insurers allege in any action, suit or other proceeding that by reason of the provisions of Exception 6(f)(i) or (iv) of this policy indemnity is not provided by this Policy, the burden of proving that such loss or damage is covered by this Policy shall be upon the Insured.

**THE SCHEDULE**

POLICY NO.....

THE INSURED: THE CONTRACTOR/S : .....

THE PRINCIPAL : .....

ADDRESS : .....

.....

THE SUBCONTRACTOR/S : .....

and as provided by Memorandum 2 of this Policy

THE PROVISIONAL PREMIUM R .....

THE STAMP DUTY R .....

THE TOTAL AMOUNT DUE R .....

THE CONTRACT: .....

THE ESTIMATED CONTRACT PRICE : .....

THE BROKERS : .....

THE INSURERS : .....

THE LEADING INSURER : .....

ADDRESS : .....

.....

THE SITES : .....

**THE CONSTRUCTION PERIOD:**

From ..... to the date as at which the Certificate(s) of completion is/are issued in terms of the Contract Provided that the Insured shall advise the Insurers as soon as is reasonable where the Construction Period exceeds the estimated Constructional Period and pays the additional premium in terms of Condition 4(c) of the policy.

THE MAINTENANCE PERIOD: .....		
SUCCEEDING THE ESTIMATED CONSTRUCTION PERIOD : .....		
THE SPECIFIED CONSTRUCTIONAL PLANT AND EQUIPMENT : .....		
.....SUM INSURED : .....		
THE INDEMNITY LIMIT : .....		
SECTION I } R..... or the amount of consideration paid or payable to the Contractor upon the completion of the Contract provided that such consideration does not exceed the estimated contract price by more than 10% unless Insurers have been notified in Terms of condition 4(d)		
SECTION III} R..... being the total of all the individual Sums Insured in respect of the Specified Constructional Plant and Equipment.		
SECTION IV} R..... in the respect of each and every occurrence or series of occurrence attributable to one original cause but otherwise unlimited.		
THE FIRST AMOUNT		
<table border="1" style="margin: auto; border-collapse: collapse;"> <tr> <td style="padding: 5px;">(1) R.....</td> <td style="padding: 5px;">(2) R.....</td> </tr> </table>	(1) R.....	(2) R.....
(1) R.....	(2) R.....	
(3) R..... (4) R .....		

ISSUED DATED AND SIGNED AT NEWCASTLE for and on behalf of the Insurers.

DATE OF ISSUE : .....SIGNED : .....

## CONDITIONS

1. The policy and the Schedule shall be read together as one Contract and any word or expression to which a specific meaning has been attached in any part of the Policy or the Schedule shall bear the same specific meaning wherever it may appear.
2. It is a condition precedent to liability of the Insurers that any particulars and statement uttered by or on behalf of the Insured shall form the basis of this insurance and this policy shall be voidable in the event of misrepresentation, misdescription or non-disclosure in any material particular.
3. The Insured and the Subcontractor shall take all reasonable steps to comply with any Act, Ordinance, Bylaw or the direction of any person empowered thereby and to safeguard the works and temporary works and to maintain in efficient condition all plant and appliances used in the Performance of the contract and to prevent accidents and to minimise loss or damage.
4. The Insured shall notify the Insurers in the event of:-
  - (a) Any change involving material alteration of the contract whereby the risk of loss, damage or liability is increased or;
  - (b) any interruption of the performance of the contract for a period in excess of three consecutive months or;
  - (c) the construction period exceeding the estimated construction period or;
  - (d) the consideration to be paid to the Contractor exceeding the estimated contract price;

and the Insurers shall have the right to make an appropriate and reasonable adjustment of the first Amount and/or Provisional Premium on the basis of the Insured paying an additional premium.

5. The Insured shall notify the Insurers of:-
  - (a) any material variation of the facts disclosed prior to the date of issue or;
  - (b) the date upon which the works have been completed in accordance with the Contractor or;
  - (c) the consideration paid to the Contractors upon termination or completion of the contract;

and the Insurers shall have the right to make an appropriate and reasonable adjustment to the Provisional Premium on the basis of the Insured paying or receiving an additional or return premium as the case may be.

6. The Insured shall notify the Insurers of:-
  - (a) The termination or determination of the contract by the Principal or the Contractor named in the schedule or;

(b) the withdrawal from the contract by the Contractors

and the Insurers shall have the right to terminate the policy or to make an appropriate and reasonable adjustment to the Provisional Premium on the basis of the insured paying an additional premium.

7. In the event of an occurrence likely to result in or give rise to a claim under this policy coming to the notice of the Insured the Insured shall:-

(a) As soon as practicable but not later than 30 days thereafter give notice thereof in writing to the Insurers; and

(b) as soon as practicable and at their own expense supply full particulars as may be reasonably required by the Insurers; and

(c) if required to do so by the Insurers produce or give access to any property alleged to be damaged; and

(d) take all practical steps to recover any property lost, including the giving of immediate notice to the police and in the case of theft or wilful damage to discover the guilty person or persons; and

(e) send to the Insurers immediately on receipt any written summons or other proceedings which may be received by or commenced against the Insured, and

(f) give to the Insurers all necessary information and assistance to enable the Insurers to settle or resist any claim or institute proceedings.

8. Neither the Insured nor any person acting on behalf of the Insured shall:-

(a) Make or give any repudiation or any offer, promise, payment or indemnity without the written consent of the Insurers; or

(b) abandon any property to the Insurers whether taken possession of by the Insurers or not.

9. In the event of any occurrence for which indemnity is provided by this policy the insurers shall be entitled if they so desire and at their own expense, to take over or conduct in the name of the Insured the defence or the settlement of any claim or to prosecute in the name of the Insured for the benefit of the Insurers any claim for indemnity or damages or otherwise or for the settlement of any claim.

10. In the event of any occurrence or series of occurrences attributable to one original cause giving rise to a claim or claims in terms of Section IV of this policy which exceeds the Indemnity Limit of said Section the Insurers shall have the option to pay to the Insured an amount equivalent to the Indemnity Limit and shall then be liable in terms of this Section only for costs and expenses incurred up to the date of such payment.

11. The Insurers choose domicilium citandi et executandi at the address of the Leading Insurer stated in the Schedule and the Insurers agree that service of legal process and of any notification required in terms of this policy upon the Leading Insurer shall be good and sufficient service and shall be equivalent to personal service upon them and each of them.

12. It is a condition precedent to any right of action under this policy that any dispute arising herein that can lawfully be referred to arbitration shall first be referred for arbitration to an arbitrator appointed in writing by the parties hereto or if they cannot agree upon a single arbitrator to an arbitration committee consisting of an arbitrator appointed by the Insured, an arbitrator appointed by the Insurers and an umpire appointed by the arbitrators. If either party does not appoint an arbitrator within sixty days after receipt of notice in writing requiring an appointment, the other party may appoint a sole arbitrator. The award (including an award as to costs) by the arbitrator or by the majority of the arbitration committee as the case may be, shall be binding upon the parties hereto.

## MEMORANDA

1. In the same manner and to the like extent as though this Policy was issued in the name of only one of them, this policy shall indemnify the Insured in respect of claims made by any of them (or their Directors or Employees) against any other of the Insured.
2. In terms of Section IV of this policy the Insured shall include any Director or Employee of the Insured provided that such Director or Employee shall observe, fulfil and be subject to the terms of the policy.
3. The amount of indemnity available in terms of Section I, II and III of this policy shall be reduced by the amount of any claim paid or payable by the Insurers in terms of the said Sections from the time of the occurrence giving rise to the loss or damage but the reduction shall be reinstated for the remainder of the currency of the Policy from the time of such occurrence provided that:-
  - (a) The Insured shall after the settlement of the loss and on demand by the Insurers pay the additional premium on the amount reinstated calculated at pro rata of the Provisional Premium or any adjustment thereof;
  - (b) the Insurers shall not be liable in terms of Section I, II and III of this policy for more than the Indemnity Limit in respect of any occurrence or series of occurrences attributable to one original cause.
4. In respect of each and every occurrence or series of occurrences attributable to one original cause giving rise to loss or damage or liability for which indemnity is provided by this policy the Insured shall:-
  - (a) By Sections I, II and III of this Policy:-
    - (i) In respect of any loss or damage (other than loss or damage occurring during transit) caused by storm, tempest, water subsidence, collapse, vibration or by the removal or weakening of support to any property, land or building, be responsible for the First Amount (1) shown on the Schedule or any less expenditure which may be incurred;
    - (ii) in respect of any other loss or damage caused otherwise than by fire, lightning, explosion, riot and strike and aircraft and/or articles dropped therefrom, be responsible for the First Amount (2) shown on the Schedule or any less expenditure which may be incurred.
  - (b) By Section IV of this policy:-
    - (i) In respect of claims arising out of loss or damage to underground services and claims arising out of loss or damage by blasting operations to other property, be responsible for the First Amount (3) shown on the Schedule or any less expenditure which may be incurred;
    - (ii) in respect of any other claims arising out of loss or damage to property be responsible for the First Amount (4) shown on the Schedule or any less expenditure which may be incurred.
5. This Policy shall be deemed to include:-

- (a) The cost necessarily incurred of any demolition, clearance and removal of debris and the erection of any hoardings, fences and similar structures following upon any occurrence for which indemnity is provided by this policy in which event the site shall be deemed to include the area in which or from which the debris is cleared or removed;
- (b) employee's tools and personal effects to a maximum value of R50 per employee (but excluding the first R5 of each and every claim per employee);
- (c) the cost necessarily incurred by the Insured in respect of architects, quantity surveyors, consulting engineers and other professional fees (excluding any such fees in connection with the preparation of a claim hereunder) resulting from loss or damage covered by this policy.

PROVIDED THAT nothing in Memorandum 5 of this policy shall operate to increase the liability of the Insurers beyond the Indemnity Limit of Sections I, II and III of this policy.

**A D D E N D U M**

**CONTRACT WORKS INDEMNITY**

**CONTRACT NO. A016-2024/25**

In the attached specimen wording we would advise that the following information be relevant:-

1. In respect of Sections I and II the first amount payable by you will be :-
  - (a) For any loss or damage (other than loss or damage occurring during transit) caused by storm, tempest, water, subsidence, collapse, vibration or by the removal or weakening of support to any property, land or building an amount as determined by the Insurers.
  - (b) for any other loss or damage caused otherwise than by fire, lightning, explosion, riot and strike an amount of determined by the Insurers.

2. In respect of Section IV the first amount payable by you will be:-
  - (a) for loss or damage to underground services from any cause an amount .....  
R500
  - (b) for any other loss or damage to property ..... R500

3. Notwithstanding anything herein contained to the contrary in respect of Constructional Plant and Equipment insured under Section III of this Policy the Insured shall be responsible for the first 10% of each and every loss subject to a minimum of R.....

4. No indemnity is granted under Section IV of this policy in respect of liability arising directly or indirectly out of the use of explosives.
5. No indemnity is granted under Section IV of this policy in respect of loss or damage to underground services unless the situations of such underground services have been established and confirmed in writing prior to such loss or damage.

6. No claims will be admitted where open trenches on the contract site(s) exceed ..... metres (overall) at any one time.

7. No claims will be admitted where such claims arise from non-compliance with the General Conditions of Contract.
8. No claims will be admitted where such claims arise from shoring being used in a manner varying from the suggested standards defined by S.A.B.S.

**APPENDIX II - TO SECTION 3**

**INSURANCES AND SPECIAL CONDITIONS OF CONTRACT**

**INSURANCES ARRANGED BY THE MUNICIPALITY**

1.(a)	Amount of Third Party Liability Insurance under Section IV (See the "Schedule" of Municipality's Policy)	R1 000 000
1.(b)	Deductable (First Amount Payable) applicable to Section IV of Contract Works Indemnity Policy (see the "Schedule" of Municipality's Policy). Also refer to Addendum to Municipality's Policy.	R.....(as determined by the Insurers)
2.	<p><b>Insurance arranged by Contractor</b></p> <p>Time within which evidence (if required) of insurance by Contractor to be produced.</p>	30 days
3.	<b>Contract Period</b>	36 months
4.	Maximum period within which accidents must be reported to the engineer.	48 hours