



**BID NUMBER: BTO 09/2022/2023**

**APPOINTMENT OF A SERVICE PROVIDER FOR THE REVIEW / RECOVERY AND  
CALCULATION OF VALUE ADDED TAX (VAT) APPORTIONMENT PERCENTAGE  
AND APPLICATION THEREOF FOR A CONTRACT DURATION OF THREE YEARS**

**CLOSING DATE: 06 FEBRUARY 2023; 12:00pm**

**BID DOCUMENT**

<b>NAME OF BIDDER:</b>	
<b>Total Bid Price (Inclusive of VAT)</b>	
<b>CSD REFERENCE NUMBER</b>	

**PREPARED AND ISSUED BY:**

Directorate: Finance:  
Supply Chain Management Unit  
Lekwa Local Municipality  
PO Box 66, Standerton, 2430

**ADMINISTRATIVE ENQUIRIES:**

Supply Chain Management  
Mr Odirile Seope  
Senior Manager  
Tel: 017 712 9647  
Email: [oseope@lekwalm.gov.za](mailto:oseope@lekwalm.gov.za)

TENDER DETAILS					
TENDER NUMBER:	PED 01/2022/2023				
TENDER TITLE:	APPOINTMENT OF A SERVICE PROVIDER FOR THE REVIEW / RECOVERY AND CALCULATION OF VALUE ADDED TAX (VAT) APPORTIONMENT PERCENTAGE AND APPLICATION THEREOF FOR A CONTRACT DURATION OF THREE YEARS				
CLOSING DATE:	06 FEBRUARY 2023	CLOSING TIME:	12H00		
SITE MEETING:	DATE:	N/A	TIME:	N/A	COMPULSORY:
SITE MEETING ADDRESS:					
CIDB GRADING REQUIRED:	NO	LEVEL AND CATEGORY:	N/A		
BID BOX NO:	MAIN	SITUATED AT: Lekwa Local Municipal Building, Cnr Dr Beyers Naude and Mbonani Mayisela Drive, Standerton. The bid box is generally open during office hours, 08:00-16:00 Mo-Fr			
OFFER TO BE VALID FOR:	90	DAYS FROM THE CLOSING DATE OF BID.			

TENDERER DETAILS (Please indicate postal address for all correspondence relevant to this specific tender)			
NAME OF TENDERER:			
NAME OF CONTACT PERSON:			
PHYSICAL ADDRESS:		POSTAL ADDRESS:	
TELEPHONE NO:		FAX NO.	
E-MAIL ADDRESS:		CELL NO.	

DATE:	
SIGNATURE OF TENDERER:	
CAPACITY UNDER WHICH THIS BID IS SIGNED:	

**PLEASE NOTE:**

1. Tenders that are deposited in the incorrect box will not be considered.
2. Tender box deposit slot is 28cm x 2.5cm.
3. Mailed, telegraphic or faxed tenders will not be accepted.
4. If the bid is late, it will not be accepted for consideration.
5. Bids may only be submitted on the Bid Documentation provided by the Municipality.
6. All times provided are South African Standard time

ENQUIRIES MAY BE DIRECTED TO:	CONTACT PERSON	TEL. NUMBER
1. TECHNICAL ENQUIRIES	Salome Mamabolo	079 898 3875
2. ENQUIRIES REGARDING BID PROCEDURES & COMPLETION OF BID DOCUMENTS	Odirile Seope	071 262 8292

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## **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 TENDER DOCUMENT:**

1.	<b>Authority to Sign a Bid</b> - Is the form duly completed and is a <b>certified copy</b> of the <b>resolution</b> attached?	Yes	No	
2.	<b>Proof of Central Supplier Database Registration</b>	Yes	No	
3.	<b>MBD 4</b> (Declaration of Interest) - Is the form duly completed and signed?	Yes	No	
4.	<b>MBD 5</b> (Declaration for procurement above R10 million (VAT included)(if applicable)	Yes	No	
5.	<b>MBD 6.1</b> (Preference Points claim form for purchases/services) - Is the form duly completed and signed? Is a <b>CERTIFIED</b> copy of the <b>B-BBEE Certificate</b> or the <b>original B-BBEE Certificate</b> attached?	Yes	No	
6.	<b>MBD 6.2</b> Declaration of Local Content – Fully completed and Signed	Yes	No	
7.	<b>MBD 8</b> (Declaration of Past Supply Chain Practices) - Is the form duly completed and signed?	Yes	No	
8.	<b>MBD 9</b> (Certificate of Independent Bid Determination) - Is the form duly completed and signed?	Yes	No	
9.	<b>MBD 15</b> (Certificate of Payment of Municipal Accounts) - Is the form duly completed and signed? Are the <b>Identity numbers, residential addresses</b> and <b>municipal account numbers</b> of <b>ALL</b> members, partners, directors, etc. provided on the form as requested? Is a certified copy attached?(not older than 60 days and not in arrears)	Yes	No	
10.	<b>MBD16</b> (Key Performance Indicators) - Is the form duly completed and signed?	Yes	No	
11.	<b>OHASA</b> (Occupational Health and Safety) - Is the form duly completed and signed? Is a valid <b>Letter of Good Standing</b> from the Compensation Commissioner attached?	Yes	No	
12.	<b>Indemnity</b> - Is the form duly completed and signed?	Yes	No	
13.	<b>Specifications</b> - Is the form duly completed and signed?	Yes	No	
14.	<b>Pre-Qualification Score Sheet</b> - Is the form duly completed and signed?	Yes	No	
15.	<b>Schedule of Work Experience of Bidder - Entity</b> - Is the form duly completed and signed?	Yes	No	
16.	<b>Schedule of Work Experience of Bidder – Manager/Supervisor</b> - Is the form duly completed and signed?	Yes	No	
17.	<b>Pricing Schedule</b> - Is the form duly completed and signed?	Yes	No	
18.	<b>MBD 7.1</b> (Contract form – Goods/Works) - Is the form duly completed and signed?	Yes	No	

SIGNATURE		NAME (PRINT)	
CAPACITY		DATE	
NAME OF FIRM			

## 2. TENDER NOTICE & INVITATION TO TENDER

**TENDER NO. BTO 09 2022/2023**

**APPOINTMENT OF A SERVICE PROVIDER FOR THE REVIEW / RECOVERY AND CALCULATION OF VALUE ADDED TAX (VAT) APPORTIONMENT PERCENTAGE AND APPLICATION THEREOF FOR A CONTRACT DURATION OF THREE YEARS**

Tenders are hereby invited for the **APPOINTMENT OF A SERVICE PROVIDER FOR THE REVIEW / RECOVERY AND CALCULATION OF VALUE ADDED TAX (VAT) APPORTIONMENT PERCENTAGE AND APPLICATION THEREOF FOR A CONTRACT DURATION OF THREE YEARS FOR LEKWA LOCAL MUNICIPALITY**

Tender documents will be available from, 24 January 2023 free of charge, on the government e-Tender portal or alternatively the document may be downloaded from the website: [www.lekwalm.gov.za](http://www.lekwalm.gov.za)

Sealed tenders, with: **“Tender No. BTO 09/2022/2023 APPOINTMENT OF A SERVICE PROVIDER FOR THE REVIEW / RECOVERY AND CALCULATION OF VALUE ADDED TAX (VAT) APPORTIONMENT PERCENTAGE AND APPLICATION THEREOF FOR A CONTRACT DURATION OF THREE YEARS** clearly endorsed on the envelope, must be deposited in the **Tender Box** at the offices of Lekwa Local Municipality, cnr Beyers Naude and Mbonani Mayisela Streets, Standerton. Bids may only be submitted on the bid documentation issued by Lekwa Local Municipality.

The closing date and time of the tender is on **Monday, 06 February 2023 @ 12h00** and tenders will be opened in public immediately thereafter, with all COVID restrictions been adhered at all times.

Please refer enquiries to  
B CAJEE  
**017-7129647**  
**082-3037516**  
[bcajee@lekwalm.gov.za](mailto:bcajee@lekwalm.gov.za)

### 3. AUTHORITY TO SIGN A BID

**TYPE OF ENTERPRISE (Please indicate with an "X" and complete the indicated section below)**

<b>1</b>	Company (Pty) Ltd. & Ltd.		Please complete <b>section 1</b> below
<b>2</b>	Close Corporation (CC)		Please complete <b>section 2</b> below
<b>3</b>	Sole Proprietor		Please complete <b>section 3</b> below
<b>4</b>	Partnership		Please complete <b>section 4</b> below
<b>5</b>	Consortium, Club, Trust, etc.		Please complete <b>section 5</b> below
<b>6</b>	Joint Venture		Please complete <b>section 6</b> below

#### 1. COMPANIES - (PTY) LTD. & LTD.

1.1. If a bidder is a **COMPANY ((Pty) Ltd. OR Ltd.)**, a certified copy of the resolution by the board of directors, duly signed, authorising the person who signs this bid to do so, as well as to sign any contract resulting from this bid and any other documents and correspondence in connection with this bid and/or contract on behalf of the company must be submitted with this bid, that is, before the closing time and date of the bid.

1.2. A valid resolution must be signed by:

- 1.2.1. Majority directors; or
- 1.2.2. Chairman of the Board; or
- 1.2.3. Company Secretary

#### PARTICULARS OF RESOLUTION BY THE BOARD OF DIRECTORS OF THE COMPANY

<b>Date resolution was taken</b>			
<b>Resolution signed by (name and surname)</b>			
<b>Capacity</b>			
<b>Name and surname of delegated authorised signatory</b>			
<b>Capacity</b>			
<b>Specimen signature</b>			
<b>Full name and surname of ALL director(s)</b>			
<b>Is a copy of the resolution attached?</b>	<b>YES</b>		<b>NO</b>

**INITIALS**

SIGNED ON BEHALF OF COMPANY / CC:		DATE:	
PRINT NAME:			
WITNESS 1:		WITNESS 2:	

## 2. CLOSE CORPORATION (CC)

2.1. In the case of a **CLOSE CORPORATION (CC)** submitting a bid, a resolution by its members, authorizing a member or other official of the corporation to sign the documents on their behalf, shall be included with the bid.

2.2. A valid resolution must be signed by:

2.2.1. Majority members; or

2.2.2. Member with majority shareholding but only if such shareholding is more than 50%; or

2.2.3. Company Secretary.

### PARTICULARS OF RESOLUTION BY THE MEMBERS OF THE CLOSE CORPORATION

Date resolution was taken			
Resolution signed by (name and surname)			
Capacity			
Name and surname of delegated authorised signatory			
Capacity			
Specimen signature			
Full name and surname of ALL director(s) / member (s)			
Is a copy of the resolution attached?	YES		NO

INITIALS



**3. SOLE PROPRIETOR (SINGLE OWNER BUSINESS) & NATURAL PERSON**

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

**OR**

I, \_\_\_\_\_, the undersigned, hereby confirm that I am submitting this bid in my capacity as natural person.

SIGNATURE:		DATE:	
PRINT NAME:			
WITNESS 1:		WITNESS 2:	

**4. PARTNERSHIP**

We, the undersigned partners in the business trading as \_\_\_\_\_ hereby authorize Mr / Ms \_\_\_\_\_ to sign this bid as well as any contract resulting from the bid and any other documents and correspondence in connection with this bid and /or contract for and on behalf of the abovementioned partnership.

**The following particulars in respect of every partner must be furnished and signed by every partner:**

Full name of partner	Signature

SIGNED ON BEHALF OF PARTNERSHIP:		DATE:	
PRINT NAME:			
WITNESS 1:		WITNESS 2:	

**INITIALS**

**Reference No:**

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**5. CONSORTIUM / CLUB / TRUST / ETC.**

We, the undersigned consortium partners, hereby authorize \_\_\_\_\_

(Name of entity) to act as lead consortium partner and further authorize Mr / Ms \_\_\_\_\_ to

sign this offer as well as any contract resulting from this bid and any other documents and correspondence in connection with this bid and / or contract for and on behalf of the consortium.

**The following particulars in respect of each consortium member must be provided and must be signed by each member:**

Full Name of consortium member	Role of consortium member	% Participation	Signature
SIGNED ON BEHALF OF PARTNERSHIP:		DATE:	
PRINT NAME:			
WITNESS 1:		WITNESS 2:	

**6. JOINT VENTURE**

We, the undersigned, are submitting this bid offer in joint venture and hereby authorize Mr / Ms \_\_\_\_\_

authorized signatory of the Company / Close Corporation / Partnership (name) \_\_\_\_\_,

acting in the capacity of lead partner, to sign all documents in connection with the bid offer and any contract resulting from it on our behalf.

**1. LEAD PARTNER (Whom the Municipality shall hold liable for the purpose of the tender)**

Name of firm			
Address			Tel. No.
Signature			Designation

**2. 2<sup>nd</sup> PARTNER**

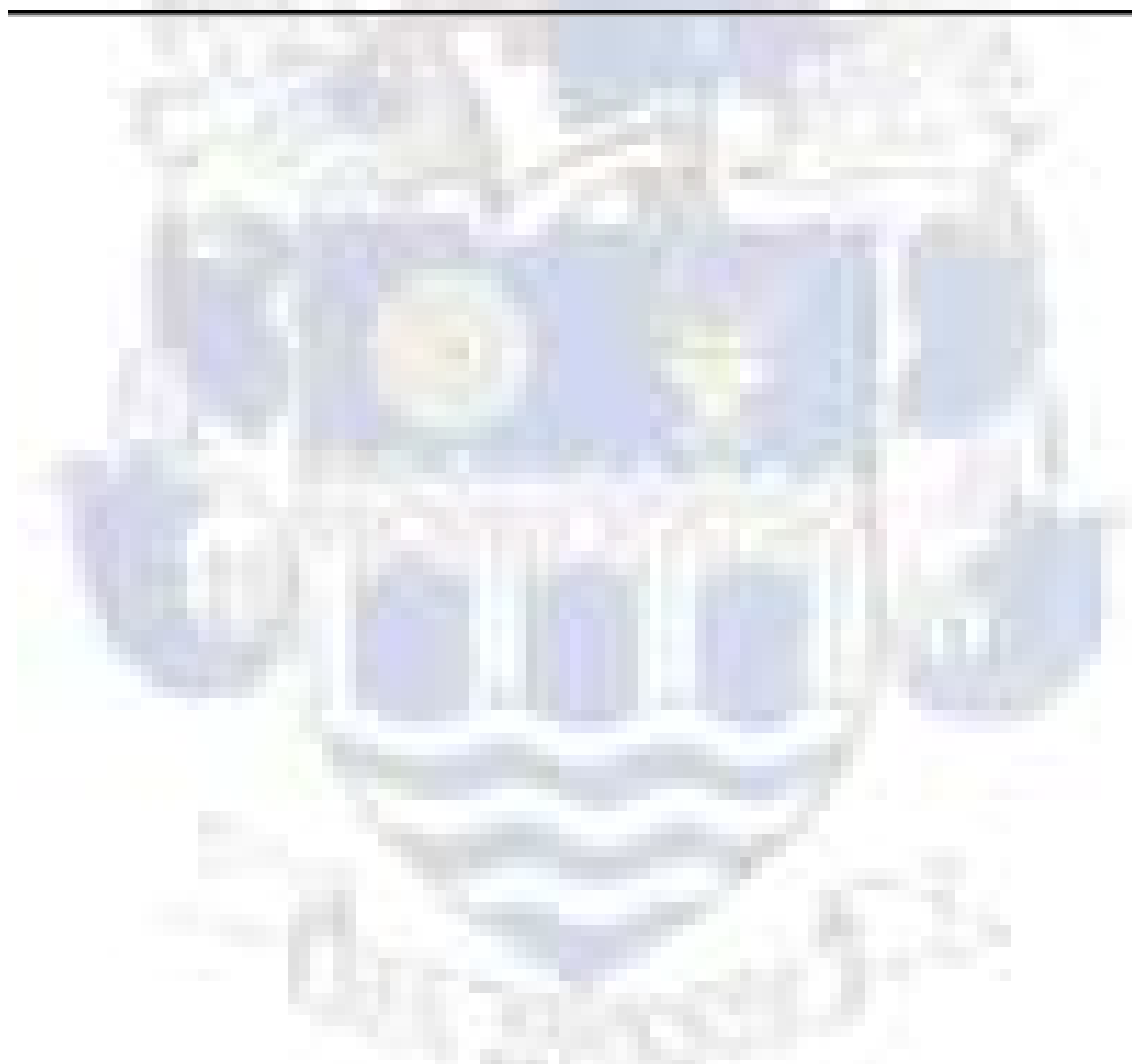
Name of firm			
Address			Tel. No.
Signature			Designation

INITIALS	
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<b>3. 3<sup>rd</sup> PARTNER</b>			
Name of firm			
Address:			
		Tel. No.	
Signature		Designation	

**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.



#### 4. GENERAL CONDITIONS OF CONTRACT – GOVERNMENT PROCUREMENT

##### 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 supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- 1.3. "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- 1.4. "Corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
- 1.5. "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally
- 1.6. "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- 1.7. "Day" means calendar day.
- 1.8. "Delivery" means delivery in compliance of the conditions of the contract or order.
- 1.9. "Delivery ex stock" means immediate delivery directly from stock actually on hand
- 1.10. "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
- 1.11. "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
- 1.12. "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable.
- 1.13. 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.
- 1.14. "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.
- 1.15. "GCC" means the General Conditions of Contract.
- 1.16. "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.17. "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.

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- 1.18. "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.19. "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.20. "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.21. "Project site" where applicable, means the place indicated in bidding documents.
- 1.22. "Purchaser" means the organization purchasing the goods.
- 1.23. "Republic" means the Republic of South Africa.
- 1.24. "SCC" means the Special Conditions of Contract.
- 1.25. "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.26. "Supplier" means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.
- 1.27. "Tort" means in breach of contract.
- 1.28. "Turnkey" means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.
- 1.29. "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 supplies, 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**

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

## **5. USE OF CONTRACT DOCUMENTS AND INFORMATION; INSPECTION.**

- 5.1. The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall

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be made in confidence and shall extend only as far as may be necessary for purposes of such performance.

- 5.2. The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3. Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.
- 5.4. The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

## **6. PATENT RIGHTS**

- 6.1. The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.
- 6.2. When a supplier developed documentation / projects for the municipality / municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality / municipal entity.

## **7. PERFORMANCE SECURITY \*\***

- 7.1. Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2. The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3. The performance security shall be denominated in the currency of the contract or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
  - 7.3.1. bank guarantee or an irrevocable letter of credit issued by a reputable bank in South Africa acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
  - 7.3.2. a cashier's or certified cheque
- 7.4. The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified.

**\*\* NOT APPLICABLE FOR THIS TENDER**

## **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 inspections tests and analysis, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or an organization acting on behalf of the purchaser.
- 8.3. If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4. If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the goods to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

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- 8.5. Where the goods or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6. 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 goods may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with goods which do comply with the requirements of the contract. Failing such removal the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods as may be necessary at the expense of the supplier.
- 8.8. The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 22 of GCC.

## **9. PACKING**

- 9.1. The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of 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, and in any subsequent instructions ordered by the purchaser.

## **10. DELIVERY**

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

## **11. INSURANCE**

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

## **12. TRANSPORTATION**

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

## **13. INCIDENTAL**

- 13.1. The supplier may be required to provide any or all of the following services, including additional services, if any:
- 13.1.1. performance or supervision of on-site assembly and/or commissioning of the supplied goods;
  - 13.1.2. furnishing of tools required for assembly and/or maintenance of the supplied goods;
  - 13.1.3. furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
  - 13.1.4. performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

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13.1.5. training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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

#### **14. SPARE PARTS**

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

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

14.1.2. in the event of termination of production of the spare parts:

14.1.2.1. advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and

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

#### **15. WARRANTY**

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

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

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

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

#### **16. PAYMENT**

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

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

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

16.4. Payment will be made in Rand unless otherwise stipulated.

#### **17. PRICES**

Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments

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authorized or in the purchaser's request for bid validity extension, as the case may be. Prices should be fixed for the duration of this contract but an adjustment will be considered every 12 (twelve) months.

## **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 supplier may be instructed to deliver the goods or render the services as such. In cases of measurable quantities, the supplier may be approached to reduce the unit price and such offers, may be accepted provided that there is no escalation in price.

## **19. ASSIGNMENT**

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

## **20. SUBCONTRACTS**

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

## **21. DELAYS IN THE SUPPLIER'S PERFORMANCE**

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

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

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

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

21.5. 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 supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

## **22. PENALTIES**

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

## **23. TERMINATION FOR DEFAULT**

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

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- 23.1.1. if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- 23.1.2. if the Supplier fails to perform any other obligation(s) under the contract; or
- 23.1.3. if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.
- 23.2. In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.
- 23.3. Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.
- 23.4. If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the supplier as having no objection and proceed with the restriction.
- 23.5. Any restriction imposed on any person by the purchaser will, at the discretion of the purchaser, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the purchase 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:
- 23.6.1. the name and address of the supplier and / or person restricted by the purchaser;
- 23.6.2. the date of commencement of the restriction
- 23.6.3. the period of restriction; and
- 23.6.4. the reasons for the restriction.
- These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.
- 23.7. If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

## 24. ANTI-DUMPING AND COUNTERVAILING DUTIES AND RIGHTS

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.

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## **25. FORCE MAJEURE**

- 25.1. Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2. If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

## **26. TERMINATION FOR INSOLVENCY**

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

## **27. SETTLEMENT OF DISPUTES**

- 27.1. If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2. If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3. Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4. Notwithstanding any reference to mediation and/or court proceedings herein,
- 27.4.1. the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
- 27.4.2. the purchaser shall pay the supplier any monies due for goods delivered and / or services rendered according to the prescripts of the contract.

## **28. LIMITATION OF LIABILITY**

- 28.1. Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6;
- 28.1.1. the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and
- 28.1.2. the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment

## **29. GOVERNING LANGUAGE**

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**

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

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### 31. NOTICES

- 31.1. Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 31.2. The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

### 32. TAXES AND DUTIES

- 32.1. A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2. A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3. No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Accounting Officer through SARS must have certified that the tax matters of the preferred bidder are in order.
- 32.4. No contract shall be concluded with any bidder whose municipal rates and taxes and municipal services charges are in arrears. For suppliers renting office premises, lease agreement must be submitted.

### 33. TRANSFER OF CONTRACTS

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

### 34. AMENDMENT OF CONTRACTS

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 supplier(s) was / were involved in collusive bidding.
- 35.2. If a bidder(s) or supplier(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 section 59 of the Competition Act No 89 Of 1998.
- 35.3. If a bidder(s) or supplier(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 supplier(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 supplier (s) concerned.

*General Conditions of Contract (revised July 2010)*

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## 5. GENERAL CONDITIONS OF TENDER

### 1. GENERAL

- 1.1. All bids must be submitted in **handwriting and in non-erasable (black or blue) ink** on the official forms supplied by the municipality.
  - 1.1.1. Under no circumstances, whatsoever may the bid forms be retyped or redrafted.
- 1.2. Subject to the provisions of clause 1.3 of this document, no alterations / corrections to the information in the document (including pricing) may be performed by erasing or using masking fluid / tape (Tipp-Ex or similar) on any submitted page or by pasting another page over it with glue.
- 1.3. Notwithstanding the provisions of clause 1.2 of this document, alterations and/or corrections may only be effected as follows:
  - 1.3.1. By striking a straight line in black ink through the incorrect information in such a manner that the information that has been struck through remains legible; writing, the altered or corrected information as appropriate (under, above or next to the information to be corrected), and initialling, preferable in the margin next to the alteration/alterations or correction/corrections.
  - 1.3.2. All corrections/alterations to the Pricing Schedule / Bill of Quantities (BOQ) and / or any pricing not effected in accordance with clause 1.3.1 above, will be rejected.
- 1.4. Bids submitted must be complete in all respects.
  - 1.4.1. The bidder is advised to check the number of pages and to satisfy himself that none are missing or duplicated.

### 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 originally signed by the duly authorised signatory.
- 2.2. All prices shall be quoted in South African currency, and be **INCLUSIVE of Value Added Tax (VAT)**.
- 2.3. Bid prices must include all expenses, disbursements and costs (e.g. transport, accommodation etc.) which may be required for the execution of the bidder's obligations in terms of the Contract. 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.

A bid will not be invalidated if the amount in words and the amount in figures do not correspond, in which case the amount in words shall be read out at the bid opening and shall be deemed to be the bid amount; therefore, where there is a discrepancy between the amount in figures and the amount in words, the amount in words shall apply
- 2.5. Where the value of an intended contract will exceed R1 000 000, 00 (R1 million) it is the bidder's responsibility to be registered with the South African Revenue Service (SARS) for VAT purposes in order to be able to issue tax invoices. The municipality will deem the price above R 1 000 000,00 (R1 million) to be VAT inclusive even if it is indicated that no VAT is charged. Please ensure that provision is made for VAT in these instances.
  - 2.5.1. The amended Value-Added Tax Act requires that a Tax Invoice for supplies in excess of R3,000 should, in addition to the other required information, also disclose the VAT registration number of the recipient, with effect from 1 March 2005. The VAT registration number of Lekwa Local Municipality is 4700113097.

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### 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. SUBMITTING A BID:

- 4.1. Sealed bids, with the “**Bid Number and Title**” clearly endorsed on the envelope, must be deposited in the relevant **bid box** as indicated in the notice of the bid, **on or before the closing date and time** of the bid.
  - 4.1.1. Any bid received without the “**Bid Number and / or Title**” clearly endorsed on the envelope will not be opened and read out during the bid opening session and will not be considered
- 4.2. The bid box are on the 1<sup>st</sup> floor of the Main Administration Building, Lekwa Municipal Office, cnr Mbonani Mayisela and Beyers Naude Street , Standerton.
- 4.3. The bid box deposit slot is 28cm x 2.5cm.
- 4.4. Mailed, telegraphic, e-mailed or faxed bids **will not be accepted**.

### 5. BID OPENING

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

### 6. EVALUATION AND ADJUDICATION CRITERIA:

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

### 7. REQUIREMENTS OF A VALID BID:

The following duly completed documents and / or information must be submitted with the submission of the bid. Failure to comply with this requirement will invalidate the bid. The bid will not be considered and no further correspondence will be entered into with regard to the following matters:

- 7.1.1. The tender has not been completed in non-erasable handwritten ink,
- 7.1.2. Non registration on CSD (CSD Report not older than 7 days at date of closing must be attached)
- 7.1.3. A partially completed and/or defective MBD forms and relevant Annexures (if applicable),
- 7.1.4. Incomplete Pricing Schedule or Bill of Quantities,
- 7.1.5. A Form of Offer not signed in non-erasable ink or not fully completed,

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- 7.1.6. Bid submissions with material alterations / corrections not in compliance with Clause 1.2 and 1.3 above will be rejected.
- 7.1.7. A Municipal rates and services account (not OLDER than 60 days and not in Arrears) or lease agreement if the tenderer is currently leasing premises and not responsible for paying municipal accounts together with a letter from the landlord stating that no levies are in arrears
- 7.1.8. Form of offer must be completed and signed by the authorised signatory
- 7.1.9. Bid to be in the closing register
- 7.1.10. Copies of CIPC (Company Registration Certificates)
- 7.1.11. Valid SARS Tax Compliance Status PIN
- 7.1.12. Proof of Authority to Sign (Company resolution letter "on company letter head" by directors to be attached confirming the Authority to sign) and Completion of Authority of Signatory
- 7.1.13. Declaration by Bidder MBD 4 (Declaration of Interest)
- 7.1.14. Contract Form – Purchase of Services – MBD 7.1
- 7.1.15. Valid signed joint venture/consortium agreement (if applicable)
- 7.2. The Municipality **may**, after the closing date, request additional information or clarification of tenders in writing, which may include the following if expired however not if it was not submitted with the tender;
  - 7.1.1. To obtain the personal income tax number(s) from the recommended bidder;
  - 7.1.2. To obtain a valid Tax Clearance Certificate and / or PIN if the certificate has expired or become inactive after the closing date of the tender;
  - 7.1.3. To obtain a valid letter of good standing from the Workmen's Compensation Commissioner, the latest assessment and proof of payment thereof;
  - 7.1.4. To obtain a valid and original B-BBEE certificate or sworn affidavit to verify preference points claimed by a bidder where the bidder submitted only a copy of the B-BBEE certificate or sworn affidavit with the bid submission.
  - 7.2.5.1. If a bidder fails to submit a B-BBEE certificate or a sworn affidavit with the bid submission, the Municipality will not request or allow the bidder to submit it afterwards.

## 8. TEST FOR RESPONSIVENESS:

- 8.1. A Bid will be considered non-responsive if:
  - 8.1.1. the bid is not in compliance with the specifications;
  - 8.1.2. the bidder has not fully completed and signed where required, all the returnable documents as listed in the bid document; and/or
  - 8.1.3. the bidder has failed to clarify or submit any supporting documentation within 3 business days of being requested to do so in writing.
- 8.2. The Municipality reserves the right to accept or reject:
  - 8.2.1. any variation, deviation, bid offer, or alternative bid offer; may cancel the bidding process and reject all bid offers at any time before the formation of a contract. The MUNICIPALITY shall not accept or incur any liability to a bidder for such cancellation and/or rejection, and will only provide written reasons for such action upon receipt of a written request to do so;
  - 8.2.2. a bid offer which does not, in the Municipality's opinion, materially and/or substantially deviate from the terms, conditions and specifications of the bid document.

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8.2.3. the whole bid or part of a bid or any item or part of any item, or to accept more than one bid (in the event of a number of items being offered), and the Municipality is not obliged to accept the lowest or any bid.

8.3. The Municipality has the right to summarily disqualify any bidder who, either at the date of submission of a bid or at the date of its award, is indebted to the Municipality in respect of any municipal rates and taxes or municipal service charges for more than 60 days. However, an agreement signed by the bidder whereby the bidder agrees that a percentage or fixed amount at the discretion of the municipality, be deducted from payments due to him/her for this bid, until the debt is paid in full, will also be accepted by the Municipality.

## 9. 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.

## 10. WITHDRAWAL OF BID DURING AND AFTER THE SCM PROCESS:

- 10.1. 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 Lekwa LM holds the right to accept or reject with or without a claim for any damages.
- 10.2. 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.

## 11. INVOICES

11.1. All invoices must be forwarded to the following address:

Lekwa Local Municipality  
PO Box 66  
Standerton, 2430

11.2. **Legal requirements for invoices**

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

### 11.2.1.1. Ordinary invoice (not VAT Registered)

- a) The word „**INVOICE**” to be displayed 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 Lekwa Municipality is compulsory – non-compliance will result in non-payment
- e) The Municipality's name and postal address (PO Box 66, Standerton, 2430)
- f) Accurate description of goods and / or services supplied / provided.
- g) Unit of measurement of goods or services supplied
- h) Price

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

- a) Word „**TAX INVOICE**” to be displayed in a prominent place
- b) Trade, legal name and registration number(if any) of supplier
- c) Address and VAT number of supplier

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- d) The official invoice number and date of invoice
- e) The Official order number of Lekwa Municipality is compulsory – non-compliance will result in non-payment
- f) The Municipality's name and postal address (PO Box 66, Standerton, 2430) and VAT registration number (4700113097)
- g) Accurate description of goods and / or services supplied / provided.
- h) Unit of measurement of goods or services supplied
- i) Price and VAT amount

## 12. PAYMENT TERMS

- 12.1. It is the policy of Lekwa Municipality to pay all creditors by means of electronic bank transfers.
- 12.2. 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.
- 12.3. In order to qualify for a bi-weekly payment, a supplier must be registered as a **Survivalist Enterprise / Micro Enterprise**<sup>1</sup> on the Municipality's supplier database. It must however be noted, that a weekly payment is not a right in terms of this Policy. Survivalist and Micro enterprises may request such payments which may then be made at the discretion of the Municipality. These weekly payments will be reviewed after a period of 12 months of doing business with the Municipality, as it may be assumed that the enterprise will, by that stage be self-sustainable. It is the obligation of the supplier to arrange earlier payments with the creditors department.

## 13. PRECEDENCE OF TERMS AND CONDITIONS

- 13.1. Precedence of terms and conditions in documentation during the bidding process and after award, resulting in an formal agreement:
  - 13.1.1. The following legislative and legal precedence will apply to documentation during the bidding process subsequent to the award of a bid to a bidder:
    - 13.1.1.1. Municipal Financial Management Act 56 of 2003
    - 13.1.1.2. Municipal Supply Chain Management Regulations
    - 13.1.1.3. Supply Chain Management policy of Lekwa Local Municipality
    - 13.1.1.4. Specifications of the bid document
    - 13.1.1.5. Special Conditions of Contract
    - 13.1.1.6. General Conditions of Contract
    - 13.1.1.7. Service Level Agreements/ Service Delivery Agreements
    - 13.1.1.8. Memorandum of Understanding/ Memorandum of Agreements

### <sup>1</sup> SURVIVALIST ENTERPRISES / MICRO ENTERPRISES ARE DEFINED AS FOLLOWS:

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

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

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#### 14. LIST OF RETURNABLES

The following compulsory documents should be submitted with the bid document, failure to submit will automatically disqualify the bidder

- 1 CSD registration document
- 2 SARS PIN
- 3 Authority to sign (on company letterhead)
- 4 Municipal rates and services account (not older than 60 days and not in arrears) or lease agreement.
- 5 Company registration document
- 6 Certified ID Copies of Directors
- 7 Joint venture/consortium agreement (if applicable)
- 8 Order/Letters of Appointment/ Letter of Reference
- 9 Declaration of interests must be signed

#### 15. Mandatory Requirements:

Tenderers shall abide with the following mandatory requirements and shall provide the necessary supporting documentation to validate such requirements:

1.	Audited Annual Financial Statements for the past three years	YES	NO
2.	Proof of SAICA / SAIT registration	YES	NO
3.	Company Organogram	YES	NO

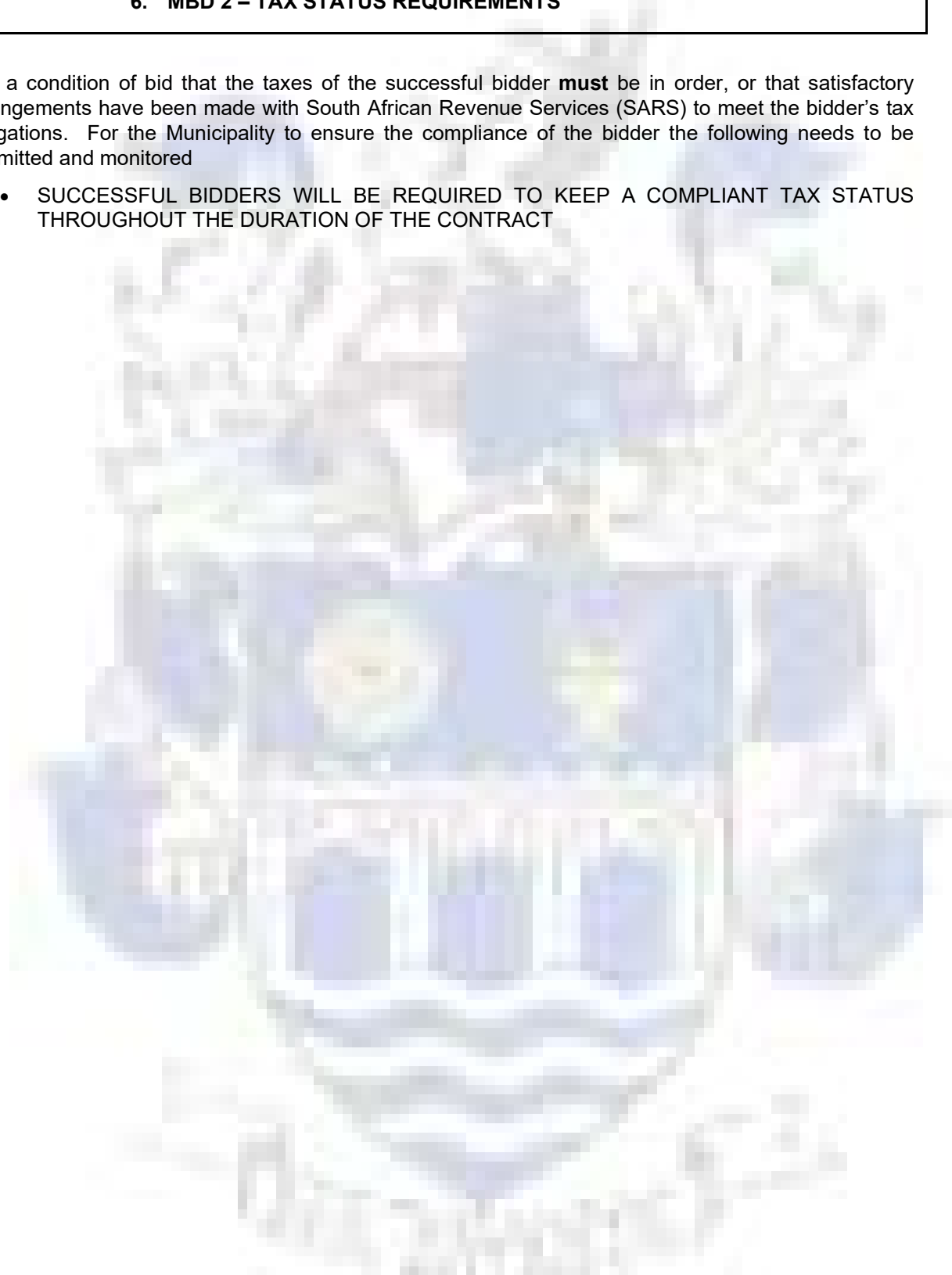
**Failure to provide the requirements under the mandatory requirements will result in the disqualification of the tender.**

INITIALS

<b>6. MBD 2 – TAX STATUS REQUIREMENTS</b>
---

It is a condition of bid that the taxes of the successful bidder **must** be in order, or that satisfactory arrangements have been made with South African Revenue Services (SARS) to meet the bidder's tax obligations. For the Municipality to ensure the compliance of the bidder the following needs to be submitted and monitored

- SUCCESSFUL BIDDERS WILL BE REQUIRED TO KEEP A COMPLIANT TAX STATUS THROUGHOUT THE DURATION OF THE CONTRACT



<b>INITIALS</b>	
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## 7. MBD 4 – DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state<sup>2</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 and/or take an oath declaring his/her interest.
3. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid:





<b>3.1.</b>	<b>Full name of bidder or his or her representative</b>													
<b>3.2.</b>	<b>Identity number</b>													
<b>3.3.</b>	<b>Position occupied in the company (director, shareholder <sup>3</sup> etc.)</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>													

<b>3.7.</b>	<b>Are you presently in the service of the state?</b>	<b>YES</b>		<b>NO</b>	
3.7.1.	If so, furnish particulars:				
<b>3.8.</b>	<b>Have you been in the service of the state for the past twelve months?</b>	<b>YES</b>		<b>NO</b>	
3.8.1.	If so, furnish particulars:				

<sup>2</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>3</sup> "Shareholder" means a person who owns shares in the company and is actively involved in the management of the company or business and exercises control over the company.

<b>3.9.</b>	<b>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?</b>	<b>YES</b>		<b>NO</b>	
3.9.1.	If so, furnish particulars:				
					
<b>3.10.</b>	<b>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?</b>	<b>YES</b>		<b>NO</b>	
3.10.1.	If so, furnish particulars:				
					
<b>3.11.</b>	<b>Are any of the company's directors, managers, principal shareholders or stakeholders in the service of the state?</b>	<b>YES</b>		<b>NO</b>	
3.11.1.	If so, furnish particulars:				
					
<b>3.12.</b>	<b>Is any spouse, child or parent of the company's directors, managers, principal shareholders or stakeholders in the service of the state?</b>	<b>YES</b>		<b>NO</b>	
3.12.1.	If so, furnish particulars:				
					
<b>3.13.</b>	<b>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?</b>	<b>YES</b>		<b>NO</b>	
3.13.1.	If so, furnish particulars:				

<b>3.14.</b>	Please provide the following information on <b>ALL</b> directors / shareholders / trustees /members below:		
full name and surname	identity number	personal income tax number	Provide State <sup>4</sup> employee number (Only to be completed if in the service of the State)

**NB:**

- ☐ PLEASE ATTACH CERTIFIED COPY(IES) OF ID DOCUMENT(S)
- ☐ PLEASE PROVIDE PERSONAL INCOME TAX NUMBERS FOR ALL DIRECTORS / SHAREHOLDERS / TRUSTEES / MEMBERS, ETC.

#### 4. DECLARATION

I, the undersigned (name) \_\_\_\_\_,

certify that the information furnished in paragraph 3 above is correct.

I accept that the state may act against me should this declaration prove to be false.

SIGNATURE		DATE	
NAME OF SIGNATORY			
POSITION			
NAME OF COMPANY			

**MSCM Regulations: “in the service of the state” means to be –**

1. a member of –
  - i. any municipal council;
  - ii. any provincial legislature; or
  - iii. the National Assembly or the National Council of Provinces;
2. a member of the board of directors of any municipal entity;
3. an official of any municipality or municipal entity;
4. 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);
5. a member of the accounting authority of any national or provincial public entity; or
6. an employee of Parliament or a provincial legislature.



**8. MBD5 – DECLARATION FOR PROCUREMENT ABOVE R10 MILLION (VAT INCLUDED)**

For all procurement expected to exceed R10 million (VAT included), bidders must complete the following questionnaire:

1. Are you by law required to prepare annual financial statements for auditing?	YES		NO	
1.1. If yes, submit audited annual financial statements for the past three years or since the date of establishment if established during the past three years.				
2. Do you have any outstanding undisputed commitments for municipal services towards a municipality or any other service provider in respect of which payment is overdue for more than 30 days?	YES		NO	
2.1. If no, this serves to certify that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days.				
2.2. If yes, provide particulars.				
3. Has any contract been awarded to you by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract?	YES		NO	
3.1. If yes, furnish particulars				
4. Will any portion of goods or services be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality / municipal entity is expected to be transferred out of the Republic?	YES		NO	
4.1 If yes, furnish particulars				



**CERTIFICATION**

I, the undersigned (name) \_\_\_\_\_, certify that the information furnished on this declaration form is correct.

I accept that the state may act against me should this declaration prove to be false.

SIGNATURE		DATE	
NAME (PRINT)			
CAPACITY			
NAME OF FIRM			

## 9. MBD6 – PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad Based Black Economic Empowerment (B-BBEE) Status Level of Contribution. BBEEE certificate or signed affidavit MUST be included as proof.

### NB:

**Before completing this form, bidders must study the general conditions, definitions and directives applicable in respect of BBEE, as prescribed in the Preferential Procurement Regulations, 2017.**

### 1. GENERAL CONDITIONS

- 1.1. The following preference point systems are applicable to all bids:
  - 1.1.1. the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
  - 1.1.2. the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).
- 1.2. The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable.
- 1.3. Preference points for this bid shall be awarded for:
  - 1.3.1. Price; and
  - 1.3.2. B-BBEE Status Level of Contribution.
- 1.4. The maximum points for this bid are allocated as follows:

	POINTS
<b>PRICE</b>	80
<b>B-BBEE STATUS LEVEL OF CONTRIBUTION</b>	20
<b>Total points for Price and B-BBEE must not exceed</b>	<b>100</b>

- 1.5. Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
- 1.6. The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

### 2. DEFINITIONS

- 2.1. **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- 2.2. **“B-BBEE status level of contributor”** means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the BroadBased Black Economic Empowerment Act;
- 2.3. **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;

- 2.4. **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003) as amended by Act No 46 of 2013;
- 2.5. **“EME”** means an Exempted Micro Enterprise as defined by Codes of Good Practice issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- 2.6. **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents;
- 2.7. **“prices”** includes all applicable taxes less all unconditional discounts;
- 2.8. **“proof of B-BBEE status level of contributor ”** means:
- 2.8.1. Original B-BBEE Status level certificate issued by an authorized body or person or a certified copy thereof;
- 2.8.2. An original sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
- 2.8.3. Any other requirement prescribed in terms of the B-BBEE Act;
- 2.9. **“QSE”** means a Qualifying Small Enterprise as defined by Codes of Good Practice issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act,
- 2.10. **“rand value”** means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;
- 2.11. **“sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing.

### 3. POINTS AWARDED FOR PRICE

#### 3.1. THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

	80/20	or	90/10
$P_s = 80 \left[ \frac{1 - (P_t - P_{min})}{P_{min}} \right]$		or	$P_s = 90 \left[ \frac{1 - (P_t - P_{min})}{P_{min}} \right]$

**Where:-**

$P_s$  = Points scored for comparative price of bid under consideration  
 $P_t$  = Comparative price of bid under consideration  
 $P_{min}$  = Comparative price of lowest acceptable bid.

#### 4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTION

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

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

#### 5. BID DECLARATION

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

5.1.1.	<b>B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1</b>	
5.1.2.	B-BBEE Status Level of Contributor	
5.1.3	Points claimed in respect of Level of Contribution (maximum of 10 or 20 points)	

5.2. (Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or an original sworn affidavit or an originally certified copy thereof.)

## 6. SUB-CONTRACTING

6.1.	Will any portion of the contract be sub-contracted? (Tick applicable box)	Yes		No	
	If yes, indicate:				
i.	what percentage of the contract will be subcontracted	%			
ii.	the name of the sub-contractor				
iii.	the B-BBEE status level of the sub-contractor				
iv.	whether the sub-contractor is an EME or QSE (Tick applicable box)	Yes		No	
v.	<b>Specify, by ticking the appropriate box, if sub-contracting with an enterprise in terms of Preferential Procurement Regulations, 2017:</b>				
	<b>Designated Group: An EME or QSE which is at least 51% owned by:</b>	<b>EME</b> √	<b>QSE</b> √		
a.	Black people				
b.	Black people who are youth				
c.	Black people who are women				
d.	Black people with disabilities				
e.	Black people living in rural or underdeveloped areas or townships				
f.	Cooperative owned by black people				
g.	Black people who are military veterans				
	<b>OR</b>				
h.	Any EME				
i.	Any QSE				

## 7. DECLARATION WITH REGARD TO COMPANY/FIRM

7.1.	Name of company/firm		
7.2.	VAT registration number		
7.3.	Company registration number		
7.4.	TYPE OF COMPANY/FIRM (Tick applicable box)	Partnership / Joint Venture / Consortium	
		One person business / sole proprietor	
		Close Corporation (CC)	
		Company ((Pty) Ltd. / Ltd.)	
		Company (Ltd.)	
7.5.	Describe principal business activities		
7.6.	Company Classification (Tick applicable box)	Manufacturer	
		Supplier	
		Professional service provider	
		Other service providers, e.g. transporter, etc.	
7.7.	<b>Municipal information</b>		
i.	Municipality where business is situated		
ii.	Registered municipal account number		
iii.	Stand number		
7.8.	Total number of years the company/firm has been in business		

7.9. I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBEE status level of contributor indicated in paragraphs 1.4 and 5.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

7.9.1. The information furnished is true and correct;

7.9.2. The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

7.9.3. In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 5.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;

7.9.4. If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –

- a) disqualify the person from the bidding process;
- b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
- c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
- d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted 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.

SIGNATURE OF BIDDER(S):			
WITNESS 1:		WITNESS 2:	
DATE:			
ADDRESS:			

## REQUIREMENTS REGARDING VALIDATION OF B-BBEE POINTS

### **VERY IMPORTANT:**

1. ONLY THE DOCUMENTS LISTED BELOW WILL BE ACCEPTED
2. Failure to submit the said documents will result in the bidder forfeiting the B-BBEE points claimed.

#### 1. EMEs:

- 1.1. A **VALID ORIGINAL** sworn affidavit, confirming annual turnover and level of black ownership (form available in the tender document); or
- 1.2. A **VALID** affidavit / certificate issued by Companies Intellectual Property Commission (CIPC);  
or
- 1.3. A **VALID ORIGINAL** B-BBEE status level verification certificate **OR A CERTIFIED COPY** thereof, substantiating their B-BBEE rating issued by a verification agency accredited by the South African National Accreditation System (**SANAS**).

#### 2. QSEs:

- 2.1. A **VALID ORIGINAL** sworn affidavit, confirming annual turnover and level of black ownership (form available in the tender document); **Only applicable to QSEs with 51% or more Black ownership**  
or
- 2.2. A **VALID ORIGINAL** B-BBEE status level verification certificate **OR A CERTIFIED COPY** thereof, substantiating their B-BBEE rating issued by a verification agency accredited by **SANAS**.

#### 3. BIDDERS OTHER THAN EMEs AND QSEs

- 3.1. The bidder **MUST** submit either a **VALID ORIGINAL B-BBEE** status level verification certificate **OR A CERTIFIED COPY** thereof, substantiating their **B-BBEE** rating issued by a verification agency accredited by **SANAS**.



### 10. SWORN AFFIDAVIT – B-BBEE EXEMPTED MICRO ENTERPRISE

#### INCOME NOT EXCEEDING R10,000,000 (TEN MILLION RAND)

I, the undersigned,									
<b>Full name</b>									
<b>Surname</b>									
<b>Identity number</b>									
Hereby declare under oath as follows:									
<b>1.</b>	The contents of this statement are to the best of my knowledge a true reflection of the facts.								
<b>2.</b>	I am a (please indicate with an "X")								
	Member		Director		Owner		of the following enterprise and am duly authorised to act on its behalf:		
	Enterprise Legal Name								
	Trading Name								
	Registration Number								
	Enterprise Address								
	Definition of "Black People"		As per the Broad-Based Black Economic Empowerment Act 53 of 2003 as Amended by Act No 46 of 2013 "Black People" is a generic term which means Africans, Coloureds and Indians – (a) Who are citizens of the Republic of South Africa by birth or descent; or (b) Who became citizens of the Republic of South Africa by naturalization- i. Before 27 April 1994; or ii. On or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalization prior to that date						
<b>3.</b>	I hereby declare under oath that:								
	The enterprise is			% black owned			% black woman owned		
<b>4.</b>	Based on the (please indicate with an "X")			financial statements			management accounts		
	and other information available on the					financial year ,			
	the income did not exceed R10,000,000.00 (ten million Rand);								
<b>5.</b>	Please confirm on the table below the B-BBEE level contributor, <b>by ticking the applicable box.</b>								
	<b>Level One</b>	100% black owned (135% B-BBEE procurement recognition)							
	<b>Level Two</b>	More than 51% black owned (125% B-BBEE procurement recognition)							
	<b>Level Four</b>	Less than 51% black owned (100% B-BBEE procurement recognition)							
<b>6.</b>	The entity is an empowering supplier in terms of <b>the dti</b> Codes of Good Practice.								
<b>7.</b>	I know and understand the contents of this affidavit and I have no objection to take the prescribed oath and consider the oath binding on my conscience and on the owners of the enterprise which I represent in this matter.								

8.	The sworn affidavit will be valid for a period of 12 months from the date signed by commissioner.	
Deponent signature:		Commissioner of Oaths stamp
Date:		
Commissioner of Oaths signature		
Date		



## 11. SWORN AFFIDAVIT – B-BBEE QUALIFYING SMALL ENTERPRISE

### INCOME BETWEEN R10,000,000 (TEN MILLION RAND) & R50,000,000 (FIFTY MILLION RAND)

I, the undersigned,									
Full name									
Surname									
Identity number									
Hereby declare under oath as follows:									
1.	The contents of this statement are to the best of my knowledge a true reflection of the facts.								
2.	I am a (please indicate with an "X")								
3.	Member		Director		Owner		the following enterprise and am duly authorised to act on its behalf:		
	Enterprise legal name								
	Trading name								
	Registration number								
	Enterprise physical address								
	Type of entity (CC, (Pty) Ltd., Sole Proprietor, etc.)								
	Nature of business								
	Definition of "Black People"		<p>As per the Broad-Based Black Economic Empowerment Act 53 of 2003 as Amended by Act No 46 of 2013 "Black People" is a generic term which means Africans, Coloureds and Indians –</p> <p>(a) Who are citizens of the Republic of South Africa by birth or descent; or</p> <p>(b) Who became citizens of the Republic of South Africa by naturalization- i. Before 27 April 1994; or ii. On or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalization prior to that date</p>						
4.	I hereby declare under oath that:								
	The enterprise is		% black owned				As per amended code series 100 of the amended Codes of Good Practice issued under section 9(1) of B-BBEE Act no. 53 of 2003 as amended by Act n. 46 of 2013		
	The enterprise is		% black woman owned						
	The enterprise is		% Black designated group owned						
5.	Based on the	financial statements		management accounts					
	and other information available on the latest financial year-end of								
	the annual Total Revenue was between R10,000,000.00 (ten million rands) and R50,000,000 (fifty million rands),								
6.	Please confirm on the table below the B-BBEE level contributor, <b>by ticking the applicable box.</b>								
	Level One	100% black owned (135% B-BBEE procurement recognition)							
	Level Two	At least 51% black owned (125% B-BBEE procurement recognition)							

7.	I know and understand the contents of this affidavit and I have no objection to take the prescribed oath and consider the oath binding on my conscience and on the owners of the enterprise which I represent in this matter.	
8.	The sworn affidavit will be valid for a period of 12 months from the date signed by commissioner.	
Deponent signature:		Commissioner of Oaths stamp
Date:		
Commissioner of Oaths signature		
Date		



## 12. DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS

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

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2017, the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

### 1. General Conditions

- 1.1. Preferential Procurement Regulations, 2017 (Regulation 8) make provision for the promotion of local production and content.
- 1.2. Regulation 8.(2) prescribes that in the case of designated sectors, organs of state must advertise such tenders with the specific bidding condition that only locally produced or manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for tenders referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

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

Where

x is the imported content in Rand

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

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by South African Reserve Bank (SARB) on the date of advertisement of the bid as indicated in paragraph 3.1 below.

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

1.6. A bid may be disqualified if this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation;

2. The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:

Description of services, works or goods	Stipulated minimum threshold
_____	_____ %
_____	_____ %
_____	_____ %

3. Does any portion of the goods or services offered have any imported content?

(Tick applicable box)

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

3.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by SARB for the specific currency on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on [www.resbank.co.za](http://www.resbank.co.za)

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

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

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

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

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

**LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)**

**IN RESPECT OF BID NO. ....**

**ISSUED BY:** (Procurement Authority / Name of Institution):  
.....

NB

- 1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.
- 2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on [http://www.thedti.gov.za/industrial\\_development/ip.jsp](http://www.thedti.gov.za/industrial_development/ip.jsp). Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

I, the undersigned, ..... (full names),

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

of .....(name of bidder entity), the following:

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that:
  - (i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and
- (c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in



paragraph 3.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

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

**If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above.**

**The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 3.1 above and the information contained in Declaration D and E.**

- (d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.
- (e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 14 of the Preferential Procurement Regulations, 2017 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

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

**WITNESS No. 1** \_\_\_\_\_

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

**WITNESS No. 2** \_\_\_\_\_

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

### 13. MBD 8 – DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

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

4.1	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?  <i>(Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the audi alteram partem rule was applied).</i>	Yes	No
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?  <i>(To access this Register enter the National Treasury's website, <a href="http://www.treasury.gov.za">www.treasury.gov.za</a>, click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 3265445).</i>	Yes	No
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes	No

4.3.1	If so, furnish particulars:		
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes	No
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes	No
4.5.1	If so, furnish particulars:		

## 5. CERTIFICATION

I, the undersigned (full name), \_\_\_\_\_, certify that the information furnished on this declaration form true and correct.

I accept that, in addition to cancellation of a contract, action may be taken against me should this declaration prove to be false.

SIGNATURE:		NAME (PRINT):	
CAPACITY:		DATE:	
NAME OF FIRM:			

#### 14. MBD 9 – CERTIFICATE OF INDEPENDENT BID DETERMINATION

1. This Municipal Bidding Document (MBD) must form part of all bids 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>1</sup> Collusive bidding is a *per 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:
  - 3.1. take all reasonable steps to prevent such abuse;
  - 3.2. 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
  - 3.3. 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> 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:

In response to the invitation for the bid made by:

### LEKWA LOCAL MUNICIPALITY

I, the undersigned, in submitting the accompanying bid, hereby make the following statements that I certify to be true and complete in every respect:

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:
  - 5.1. has been requested to submit a bid in response to this bid invitation; could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - 5.2. 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>2</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:
  - 7.1. prices;
  - 7.2. geographical area where product or service will be rendered (market allocation)
  - 7.3. methods, factors or formulas used to calculate prices;
  - 7.4. the intention or decision to submit or not to submit, a bid;
  - 7.5. the submission of a bid which does not meet the specifications and conditions of the bid; or
  - 7.6. 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.

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<sup>2</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.

SIGNATURE:		NAME (PRINT):	
CAPACITY:		DATE:	
NAME OF FIRM:			



### 15. MBD 15 – CERTIFICATE FOR PAYMENT OF MUNICIPAL SERVICES

#### DECLARATION IN TERMS OF PARAGRAPH 38(1)(d)(i) OF THE SUPPLY CHAIN MANAGEMENT POLICY OF LEKWA LOCAL MUNICIPALITY (To be signed in the presence of a Commissioner of Oaths)

I, \_\_\_\_\_, \_\_\_\_\_ (full name and ID no.), hereby acknowledge that the Municipality may reject the tender of the tenderer if any municipal rates and taxes or municipal service charges owed by the bidder or any of its directors/members/partners to Lekwa Local Municipality, or to any other municipality or municipal entity, are in arrears for more than 60 days.

I declare that I am duly authorised to act on behalf of \_\_\_\_\_ (name of the firm) and hereby declare, that to the best of my personal knowledge, neither the firm nor any director/member/partner of said firm is in arrears on any of its municipal accounts with any municipality in the Republic of South Africa, for a period longer than 3 (three) months.

I further hereby certify that the information set out in this schedule and/or attachment(s) hereto is true and correct. The bidder acknowledges that failure to properly and truthfully complete this schedule may result in the tender being disqualified, and/or in the event that the tenderer is successful, the cancellation of the contract.

PHYSICAL BUSINESS ADDRESS(ES) OF THE TENDERER	MUNICIPAL ACCOUNT NUMBER

Further details of the bidder's director(s) / shareholder(s) / partner(s) / member(s), etc.:

Director / partner / member	Physical residential address of the director / partner / member	Municipal account number(s)

**PLEASE NOTE:**

1. Copies of all municipal accounts, not older than 60 days, to be submitted with the bid.
2. If the entity or any of its directors/shareholders/partners/members, etc. rents/leases premises a copy of the rental/lease agreement is to be submitted with this bid.

Signature	Position	Date
<p align="center"><b>COMMISSIONER OF OATHS</b></p> <p>Signed and sworn to before me at _____, on this _____ day of _____ 20____</p> <p>by the deponent, who has acknowledged that he/she knows and understands the contents of this affidavit, it is true and correct to the best of his/her knowledge and that he/she has no objection to taking the prescribed oath, and that the prescribed oath will be binding on his/her conscience.</p> <p><b>COMMISSIONER OF OATHS:-</b></p> <p>Position: _____</p> <p>Address: _____ Tel: _____</p>		<p><b>Apply official stamp of authority on this page:</b></p>



### 16. MBD 16 – KEY PERFORMANCE INDICATORS

1. KEY PERFORMANCE INDICATORS (KPIs)			
1.1.	Work(s) performed / goods delivered within timeframes specified		
1.2.	Work(s) performed / goods delivered within financial framework specified		
1.3.	Acceptable quality of work(s) performed / goods delivered		
<p>I / We acknowledge that I / we am / are fully acquainted with the abovementioned Key Performance Indicators (KPIs) applicable to this tender / contract as stipulated by the Municipality and that I / we accept these Key Performance Indicators (KPIs) in all respects.</p> <p>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 / item(s) specified in the tender document and that the price 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.</p>			
SIGNATURE		NAME (PRINT)	
CAPACITY		DATE	
NAME OF FIRM			
WITNESS 1		WITNESS 2	

<b>17. SECTION 37(2) OF THE OCCUPATIONAL HEALTH AND SAFETY ACT, NO 85 OF 1993</b>
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**INTRODUCTION**

In terms of section 16(1) of the Occupational Health and Safety Act, 1993 (Act 85 of 1993) the Chief Executive Officer is responsible as far as is reasonably practicable to ensure that the duties of his employer as contemplated in the Act are properly discharged. This responsibility is also, in terms of section 37(2) of the Act, extended to include a mandatary that performs work on behalf of the employer on his/her premises.

A “mandatary” is defined in the said Act as: - *—Including an agent, contractor or subcontractor for work, but without derogating from his status in his own right as an employer or user*

In terms of Section 37(2), read with section 41, of the said Act, it is legally possible for an employer to indemnify himself from this responsibility or liability regarding the actions of the mandatary. Section 37(2) stipulates that there should be a written agreement in place between the employer and the mandatary regarding the arrangements and procedures between them to ensure compliance by the mandatary with the provisions of the Occupational Health and Safety Act, 1993.

By ensuring that there is a written agreement in place, the management of Lekwa Local Municipality is acting in a responsible manner, so as to ensure that this requirement is indeed being met.

In order to ensure that this written agreement is honoured at all times, regular inspections of work that is in the process of being executed will be conducted and if found not to be in compliance with the said agreement, a notice of non-compliance will be issued. All work will be stopped, reasons for noncompliance must be given including the corrective action that will be taken to rectify the situation must be stipulated.

<b>COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASES ACT, 1993 (ACT 130 OF 1993)</b>
--

**Lekwa Municipality** has legal duty in terms of Section 89 of the said Act to ensure that all contractors with whom agreements are entered into for the execution of work are registered as employers in accordance with the provisions of this Act and that all the necessary assessments have been paid by the contractor.

In order to enter into this agreement, the following information is needed regarding the above-mentioned:

Contractor's registration number with the office of the Compensation Commissioner:	
--	--

**NOTE:**

**A copy of the latest receipt together with a copy of the relevant assessment OR a copy of a valid Letter of Good Standing to be handed in, in this regard.**

PRINT NAME:			
CAPACITY:		Name of firm	
SIGNATURE:		DATE:	

This is a written agreement between

**LEKWA LOCAL MUNICIPALITY**

And

\_\_\_\_\_  
(Name of the MANDATARY)

in terms Section 37(2) of the Occupational Health and Safety Act, 1993 (Act 85 of 1993) as amended.

I, \_\_\_\_\_ representing the MANDATARY do hereby acknowledge that \_\_\_\_\_  
(mandatary) is an employer in its own right with duties as prescribed in the Occupational Health and Safety Act, 1993 (Act 85 of 1993) as amended and agree to ensure that all work that will be performed, any article or substance that will be produced, processed, used, handled, stored or transported and plant and machinery that will be used, will be done in accordance with the provisions of the said Act.

I furthermore agree to comply with the Health and Safety requirements and to liaise with the Municipality should I, for whatever reason, be unable to perform in terms of this Agreement.

**SIGNED ON BEHALF OF MANDATORY**

DATE:		PLACE:	
PRINT NAME:			
CAPACITY:			
SIGNATURE:			

**SIGNED ON BEHALF OF THE MUNICIPALITY**

DATE:		PLACE:	
PRINT NAME:			
CAPACITY:			
SIGNATURE:			

## 18. INDEMNITY

Given by (name of company) \_\_\_\_\_  
 of (registered address of company) \_\_\_\_\_  
 a company with limited liability registration number \_\_\_\_\_  
 registered in terms of Laws of the Republic of South Africa (hereinafter the contractor), represented by  
 (name of representative) \_\_\_\_\_  
 in his capacity as (designation) \_\_\_\_\_  
 of the contractor, and duly authorised by a resolution dated \_\_\_\_\_/20\_\_\_\_\_.

**WHEREAS** the contractor entered into a contract with the municipality dated \_\_\_\_\_/20\_\_\_\_\_.

**AND WHEREAS** the Municipality requires an indemnity from the contractor.

**NOW THEREFORE** the contractor hereby indemnifies and holds harmless the Municipality in respect of all loss and/or damage that may be incurred or sustained by the contractor by reason of or in any way arising out of or caused by operations that may be carried out by the contractor in connection with the aforementioned contract; and also in respect of all claims that may be instituted against the Municipality in consequence of such operations, by reason of or in any way arising out of any accidents or damage to life or property or any other cause whatsoever including all legal fees and costs that may be incurred by the Municipality in examining, resisting or settling any such claims.

SIGNATURE OF CONTRACTOR:	
DATE:	
SIGNATURE OF WITNESS 1:	
DATE:	
SIGNATURE OF WITNESS 2:	
DATE:	



## **PART B – SPECIFICATIONS AND PRICING SCHEDULE**

## 19. TERMS OF REFERENCES

### 1.0 SCOPE OF CONTRACT

The scope of contract calls for the appointment of a suitably qualified and experienced Service Provider on risk for the review/recovery and calculation of Value Added Tax (VAT) apportionment percentage and application thereof for a contract duration of three (3) years from date of appointment.

### 2.0 SCOPE OF WORKS

The scope of works entails a VAT review of the apportionment percentages calculations and general ledger and VAT recovery for the previous five (5) years and for the duration of the contract.

### 3.0 CONTACT PERSONS

For any **technical related enquiries**, please contact the Project Champion:

Salome Mamabolo : Email [slegodi@lekwalme.gov.za](mailto:slegodi@lekwalme.gov.za)

: Cellphone 079 898 3875

### 4.0 DETAILED SPECIFICATION

#### 4.1 VAT Review

- (a) VAT is the only tax that has a direct impact on the financial affairs of a Municipality.
- (b) The application of the Value Added Tax Act, Act No. 89 of 1991, is a complex issue and not easy to interpret and contains numerous exceptions and provision. Given the fact that the financial implications of such actions can be detrimental to the Municipality and the prescription period of this claim proviso (i) of section 17 of the VAT Act that limits the period in which a vendor may claim an input deduction to five (5) years.
- (c) Facilitate a VAT review, which includes a review of the current status of the treatment of VAT by the Municipality's accounting system to ensure appropriate application of the relevant provisions of the VAT Act to ensure optimal claiming of the input tax and appropriate declaration of the output tax timeously.
- (d) Detail examination into the general ledger where VAT was potential not claimed.
- (e) Calculate the apportionment percentage based for the current and previous five (5) years.
- (f) Apply the recalculated apportionment percentage to the mixed supply expenses and the amount of under or over payment of input tax, if any.

#### 4.2 VAT Recovery

- (a) Review the VAT treatment of equitable shares and all other grants, conditional and unconditional, to ensure that the treatment is correct from a VAT, as well as a grant condition point of view.
- (b) A comprehensive written report must be submitted on the findings of the review/recovery identifying risk areas, internal control weaknesses and recommendations for improvement;
- (c) Working papers of all relevant calculations should be handed over to the Municipality.

**The VAT review/recovery process should include for the following:**

##### 4.2.1 VAT Reconciliations

- (a) Obtain input and output figures from the general ledger per tax period.
- (b) Obtain copies of the VAT 201's submitted to SARS.

(c) Reconcile the input figures from the general ledger with the input figures reflected on the VAT 201's (Submit an electronic reconciliation of the input VAT as per the financial system of the Municipality and compare the reconciliation with the figures as per the SARS system (VAT201)).

(d) Reconcile the output figures from the general ledger with the output figures reflected on the VAT 201's (Submit an electronic reconciliation of the output VAT as per the financial system of the Municipality and compare the reconciliation with the figures as per the SARS system (VAT 201)).

(e) Reconcile the figures on the VAT 201 returns to the VAT report from the financial system.

(f) Investigate differences.

#### **4.2.2 VAT Input Reconciliation**

(a) Obtain detailed line-by-line general ledger transactions electronically from the system.

(b) Link the line-by-line detailed transactions of the general ledger VAT input account(s) to the different lines of the different account transactions.

(c) Reconcile the above linked line-by-line transactions per the expense account to identify instances where VAT registered was not accounted for in the VAT 201 - code these exceptions as; supplier not VAT registered / require valid tax invoice from supplier / no VAT to be claimed / valid VAT saving / VAT charged but supplier not registered for VAT.

(d) Investigate expenses (general ledger entries) where no VAT as claimed by obtaining invoices/supporting documentation.

(e) The Service Provider to have its own team of staff members to retrieve incorrect, lost, misfiled or misplaced invoices from Municipal suppliers.

(f) Where VAT as charged by non-VAT vendors, the Service Provider is to recover the VAT charged.

(g) Investigate journals.

#### **4.2.3 VAT Output Reconciliation**

(a) Obtain detailed line-by-line general ledger transactions electronically from the system.

(b) Link the line-by-line detailed transactions of the general ledger VAT output account(s) to the different lines of the different income account transactions.

(c) Perform a detailed breakdown of the debtor's sub-ledgers transactions to review the allocation of VAT.

(d) Reconcile the VAT linked with the VAT per income stream to identify instances where VAT was incorrectly accounted for in the VAT 201

(e) Investigate exceptions; Investigate journals.

(f) Verify income with bank statements/bank reconciliation.

#### **4.3 The Detailed VAT Review Process**

(a) The successful tenderer will be required to conduct a thorough and meticulous VAT review of the Municipality's general ledger control accounts in relation to VAT transactions to ensure that the Municipality has correctly accounted for VAT on all the expenditure and revenue.



- (b) Review of the VAT report from the financial system to ensure that output tax was declared on all receipts for taxable receipts from customers and input tax claimed for all payments made to VAT vendors.
- (c) An investigation of the accounting system including correct flagging/coding of all expenditure and revenue votes to ensure all votes have been correctly set up for VAT.
- (d) Establish the impact for the years under review if there is any over/under/claimed input and output due to the general ledger being incorrectly set up for VAT.
- (e) Address unresolved pertinent issues that have a direct influence on VAT; such as equitable share and conditional grants.
- (f) Calculate the required VAT adjustments resulting from the review, if any, inclusion on the relevant VAT return.
- (g) Transfer of skills to Municipal staff regarding all VAT facets should take place within the contract period.

#### **4.4 A Detailed Examination into the Municipality's General Ledger, Journal Vouchers, Tax Invoices to ascertain if VAT was claimed due to:**

- (a) The supplier being recorded as a non-VAT vendor on the system but there is proof otherwise.
- (b) Incorrect classification of votes for VAT purposes eg. classified exempt and VAT originally claimed.
- (c) The supplier does attract VAT, but this was omitted.

#### **4.5 VAT Apportionment Percentage Review**

- (a) Analysis of computation of current apportionment ratio applied.
- (b) Review and recalculate the apportionment ratio for the current and previous five (5) years as per approved formula.
- (c) Apply the recalculated apportionment percentage to determine:
  - (i) whether the VAT apportionment percentage has been correctly calculated;
  - (ii) whether the VAT apportionment percentage has been correctly applied; and
  - (iii) the amount of under or over paid input tax, if any.
- (d) Create Excel models that will be used as a basis to calculate apportionment percentage for this period.
- (e) Calculate the required VAT adjustments resulting from the review, if any, inclusion on the relevant VAT return.
- (f) Provide detail workings for the calculation of the apportionment percentages/ adjustments in excel for the Auditor General and SARS.
- (g) Assist the Municipality in completing the VAT return(s), making declaration of liabilities/ receivables if any and completion of any necessary documentation that may be required to claim from SARS.
- (h) Liaise directly with SARS on all re-calculation workings and response to queries to obtain any refunds due the Municipality.

**4.6** The methodology and procedures applied during the verification process ensure that the savings and exposures identified are 100% verifiable to any 3rd party, i.e.SARS or the Auditor General. The procedures applied must comply with the VAT Act.

#### **5.0 TENDER BRIEFING MEETING**

**There is no Tender Briefing Meeting scheduled for this tender.**

#### **6.0 CONTRACT PERIOD**

The contract period shall be for three (3) years effective from the date of appointment of the successful of Service Provider.



## Tender Adjudication/Evaluation Criteria:

The tender shall be evaluated on a Two Stage Evaluation System – Stage One: Functionality and Stage Two: 80/20 Preference Point System in accordance with the Preferential Procurement Regulations 2017, issued in terms of section 5 of the Preferential Procurement Policy Framework Act, Act No. 5 of 2000. The Functionality for Stage One shall be evaluated on the following criteria:

All bidders scoring a zero in any of the aspects below **or** a total score of less than an 70 out of possible 100 points will be disqualified.

FUNCTIONAL ASSESSMENT - POINT SCORING FUNCTIONAL CATEGORY AND DESCRIPTION	ALLOCATION OF POINTS / WEIGHTING
<b>EXPERIENCE OF THE COMPANY</b>	<b>70</b>
<p><b>a) Complex VAT Recovery assignments undertaken (To be evidenced by SARS' letters)</b></p> <p>i) R15million - R30million allowed through ADR2 appeal proceedings (10 points)  ii) &gt; R30million - R50million allowed through ADR2 appeal proceedings (20 points)  iii) &gt;R50million allowed through ADR2 appeal proceedings (30 points)</p> <p><b>b) Previous experience in projects of a similar nature: Conducting a VAT Review and Recovery</b></p> <p>Bidders must attach proof of experience where specific VAT Review services were provided. Bidders are required to submit an appointment letter and reference letter/contract/ completion certificate during the last 5 years to be allocated the points. The points will be allocated as follows:</p> <p>i) 10 points (1 to 10 public or private sector)  <i>Reference Letter and Appointment letters/Contracts/ completion certificate (10 points)</i>  ii) 15 points (11 to 25 public or private sector)  <i>Reference Letter and Appointment letters/Contracts/ completion certificate (15 points)</i>  iii) 20 points (More than 25 public or private sector)  <i>Reference Letter and Appointment letters/Contracts/ completion certificate (20 points)</i></p> <p><b>c) Proof of Penalties and Interest successfully reversed (Submit SARS Statements of Account as proof)</b></p> <p>i) Between R15million – R30million successfully reversed (5 points)  ii) Between &gt; R30million – R40million successfully reversed (10 points)  iii) Above R40million successfully reversed (15 points)</p>	<p>30</p> <p>20</p> <p>15</p>



## DECLARATION

1. I/we, the undersigned, who warrants that he/she is duly authorised to do so on behalf of the enterprise (if applicable) declare that the information furnished is true and correct and I / we acknowledge that:
2. In the event of a contract being awarded because of points claimed, the bidder may be required to furnish documentary proof to the satisfaction of the Municipality that the claims are correct.
3. If the claims are found to be incorrect, the Municipality may, in addition to any other remedy it may have -
  - a. recover all costs, losses or damages it has incurred or suffered as a result of that person's conduct; and
  - b. 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.

SIGNATURE (Bidder)	
CAPACITY	
NAME OF FIRM	
NAME (PRINT)	
DATE	

## 21. SCHEDULE OF WORK EXPERIENCE OF THE BIDDER – ENTITY

	Client – Contact Person (Name, Tel, Fax, Email)		Description of contract	Years experience with client	Date started	Date completed
1.	<b>Name of entity</b>					
	Contact Person					
	Tel					
	Fax					
	Email					
2.	<b>Name of entity</b>					
	Contact Person					
	Tel					
	Fax					
	Email					
3.	<b>Name of entity</b>					
	Contact Person					
	Tel					
	Fax					
	Email					
4.	<b>Name of entity</b>					
	Contact Person					
	Tel					
	Fax					
	Email					

## 22. FORM OF OFFER

### NOTE:

1. Only firm prices will be accepted. Non-firm prices will not be considered.
2. All delivery costs **MUST** be included in the bid price, for delivery at the prescribed destination.
3. Document **MUST** be completed in non-erasable black ink.
4. **NO** correction fluid/tape may be used.
  - a. 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.
5. The Bidder **MUST** indicate whether he/she/the entity is a registered VAT Vendor or not.
  - a. In the case of the Bidder not being a registered VAT Vendor, **THE TOTAL AND GRAND TOTAL AT THE BOTTOM OF THE PRICINGSCHEDULE** must reflect the same amount.

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

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

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

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

hereby offer to Lekwa Municipality to render the services as described, in accordance with the specification and conditions of contract to the entire satisfaction of the Lekwa Municipality and subject to the conditions of tender, for the amounts indicated hereunder: (each page of the pricing schedule must be signed by the authorised person)

Amount: R \_\_\_\_\_

Amount (in words): \_\_\_\_\_

### PLEASE NOTE:

1. Rates must be firm and fixed for the duration of the contract period ending 30 June 2024, a market related price review will be allowed on a six monthly basis from appointment.
2. The Municipality reserves the right to purchase or not to purchase the quantities indicated below
3. Items provided must be SABS approved (where appropriate)
4. Delivery date is a maximum of 7 days from date of orders unless otherwise arranged and accepted by the Municipality

SIGNATURE		NAME (PRINT)	
CAPACITY		DATE	
NAME OF FIRM			

**Witness 1 Signature:** \_\_\_\_\_

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

**Witness 2 Signature:** \_\_\_\_\_

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



**PLEASE NOTE:**

**IF A BRAND/MAKE IS MENTIONED IN THE ABOVE TABLE THIS IS FOR SPECIFICATION PURPOSES ONLY.  
BIDDERS MAY QUOTE ON OTHER BRANDS AS LONG AS SPECIFICATIONS ARE ADHERED TO**

SIGNATURE		NAME (PRINT)	
CAPACITY		DATE	
NAME OF FIRM			

<b>23. MBD 7.1. – CONTRACT FORM - PURCHASE OF GOODS/WORKS</b>
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**NB:**

1. This form must be completed in duplicate by both the successful bidder (Part 1) and the purchaser (Part 2). The form must be signed in the original so that the successful bidder and the purchaser will be in possession of a signed contracts for their respective records.
2. NO correction fluid/tape may be used.
3. 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.

**PART 1 (To be completed by the BIDDER)**

1. I hereby undertake to supply all or any of the goods and/or works described in the attached bidding documents to **LEKWA MUNICIPALITY** in accordance with the requirements and specifications stipulated in bid number **BTO 04 2022-2023: PRINTING AND DISTRIBUTION OF MUNICIPAL CONSUMER ACCOUNT STATEMENTS FOR A PERIOD OF 36 MONTHS FOR LEKWA LOCAL MUNICIPALITY** at the price(s) as per the pricing schedule above.
2. My offer(s) remain(s) binding upon me and open for acceptance by the purchaser during the validity period indicated and calculated from the closing time of bid.
3. The following documents shall be deemed to form and be read and construed as part of this agreement:
  - (i) Bidding documents, viz
    1. Invitation to bid
    2. CSD Registration Document
    3. Pricing schedule(s)
    4. Technical Specification(s)
    5. Preference claims in terms of the Preferential Procurement Regulations 2017
    6. Declaration of interest
    7. Declaration of past SCM Practices
    8. Declaration for Local Content
    9. Special Conditions of Contract; and
    10. General Conditions of Contract.
4. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the goods and/or works specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
5. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfilment of this contract.
6. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
7. I confirm that I am duly authorised to sign this contract.

SIGNATURE		NAME (PRINT)	
CAPACITY		DATE	
NAME OF FIRM			
WITNESS 1:		WITNESS 2:	

DATE:	
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**CONTRACT FORM - PURCHASE OF GOODS/WORKS****PART 2 (To be completed by LEKWA MUNICIPALITY)**

I, \_\_\_\_\_ in my capacity as \_\_\_\_\_ ,  
 accept your bid under reference number \_\_\_\_\_ dated \_\_\_\_\_ ,  
 for the supply of goods/works indicated hereunder and/or further specified in the annexure(s). ,  
 An official order indicating delivery instructions is forthcoming. ,

I undertake to make payment for the goods/works delivered in accordance with the terms and  
 conditions of the contract, within 30 (thirty) days after receipt of an invoice accompanied by  
 the delivery note.

I confirm that I am duly authorized to sign this contract.

SIGNED AT \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ .

**TO BE COMPLETED BY LEKWA  
 MUNICIPALITY**

SIGNATURE:

NAME  
(PRINT):

WITNESS 1:

WITNESS 2:

**OFFICIAL STAMP:**

## 24. DECLARATION BY TENDERER

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 fulfillment of all obligations and conditions devolving in me / us under this agreement as the principal liable for the due fulfillment 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.

SIGNATURE		NAME (PRINT)	
CAPACITY		DATE	
NAME OF FIRM			
WITNESS 1		WITNESS 2	

## **LAYOUT OF DOCUMENT**

- 1) Lekwa Local Municipality Tender Document
- 2) CSD registration document
- 3) SARS PIN and be VAT registered
- 4) Authority to sign (on company letterhead)
- 5) Municipal rates and services account (not older than 60 days and not in arrears) or lease agreement.
- 6) Company registration document
- 7) Certified ID Copies of Directors
- 8) Joint venture/consortium agreement (if applicable)
- 9) Order/Letters of Appointment/ Letter of Reference
- 10) Declaration of interests must be signed

Thereafter all other required documents as per the tender document must be attached.





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