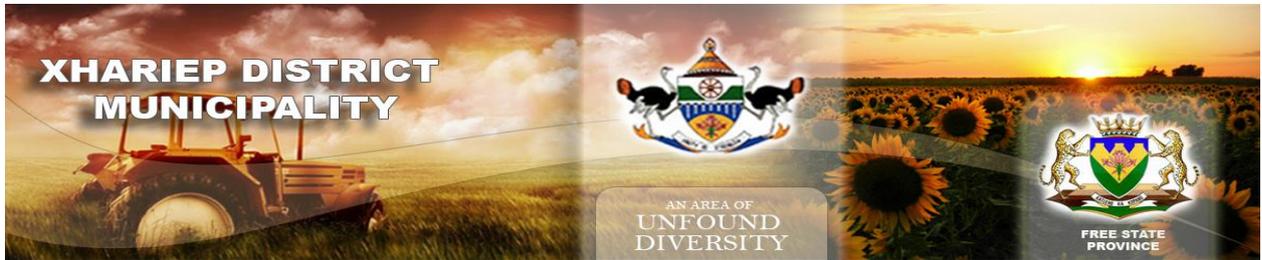




An area of unfound diversity

District Municipality

Private Bag X 136, TROMPSBURG, 9913, Tel: (051) 011 2238, Fax: (051) 713 0461  
Website: [www.xhariep.gov.za](http://www.xhariep.gov.za)



**ADVERTISEMENT: COMPILATION AND REVIEW OF ANNUAL FINANCIAL STATEMENT FOR 2025/26 FINANCIAL YEAR**

Tender submitted by: \_\_\_\_\_

Name of Company: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Contract Number	Tender Amount (Including VAT)	Contract Period
XDM-AFS 25/26		

COMPILED BY: \_\_\_\_\_  
SCM Accountant  
Mr JOJ Tshabalala

REVIEWED BY: \_\_\_\_\_  
SCM Manager  
Mrs TF Tshabalala

APPROVED BY: \_\_\_\_\_  
Chief Financial Officer  
Mr M Tamasane

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### ADVERTISEMENT

Closing Date: 16 April 2026

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## INTRODUCTION AND BACKGROUND

Xhariep District Municipality requests the service of a reputable and capable service provider to assist the municipality with compilation and review of annual financial statement.

### OBJECTIVE OF THE DOCUMENT

To provide the prospective service provider with detailed specifications of the requirements that Xhariep District Municipality feels necessary for the required service:

### ANNUAL FINANCIAL STATEMENTS PROJECT SPECIFICATION

AFS DISCLOSURE NOTES	COMPILE	REVIEW
Vat Receivable from exchange transactions	X	
Trade and other receivables	X	
Cash and cash equivalents		X
Property Plant and Equipment		X
Intangible Assets		X
Payables from exchange transactions	X	
Payables from non-exchange transactions		X
Employee benefit obligation		X
Unspent conditional grants and receipts		X
Rental of facilities		X
Interest received (Debtors)		X
Other income		X
Interest received (Bank/investments		X
Contract revenue-INEP	X	
Debt Assistance (non-exchange)		X
Government grants and subsidies		X
COGTA assistance grant		X
Employee related costs		X
Remuneration of councillors		X
Construction costs	X	
Depreciation and amortisation	X	
Finance costs		X
Debt Impairment	X	
Contracted services	X	
Transfers and subsidies		X
General expenses	X	
Cash generated from operations	X	
Commitments		X

Contingent liabilities/Assets		X
Related party disclosure		X
Risk management		X
Financial instruments		X
Irregular Expenditure		X
Fruitless and wasteful expenditure		X
Unauthorised Expenditure		X
Deviations		X
Review of useful lives	X	
Verification of assets		X
Calculations of depreciation	X	
Assets register		X

<b>OPENING BALANCES AND RESTATEMENT FIGURES AND ROLL OVER OF CASEWARE FILE 2024/20245 TO 2025/2026</b>
--

Review of mSCOA Chart of Accounts for accuracy
Accruals: Identify and account for Accruals
Search for Capital expenditure in revenue expenditure
Review Debtors control account to age analysis reconciliation
Review Creditors control account to age analysis reconciliation
Compile Debt impairment per service
Interest Recalculation as per Municipality Policy
Review Budgeting Completeness and Accuracy
Review Cash and cash equivalents/Bank Reconciliations
Review Vat reconciliation
Review Employee related costs/Payroll Reconciliations
Review of opening balances

<b>CASEWARE FILE – IMPORT AND ROLL FORWARD</b>
--

Roll forward of CaseWare file
Review Roll forward of CaseWare file
Trial Balance
Review of prior year chart to mSCOA Chart of Accounts (COA) mapping
Statement of comparison of Budget vs Actual Amounts
Review of accounting policies
Cash flow statement (CFS)
Statement of Changes in Net Assets (SCE)
Consolidation of audit file

<b>PREPARATION OF ANNUAL FINANCIAL STATEMENTS 2025/2026</b>
---

Import of Final TB and Reconcile for Accuracy
Review of prior year chart to mSCOA Chart of Accounts (COA) mappings

Statement of comparison of Budget vs Actual Amounts
Review of accounting policies
Roll forward of work during GL Review and Clean-up
Import of Final TB and Reconcile for Accuracy
Review of prior year chart to mSCOA Chart of Accounts (COA) mappings
<b>AUDIT ISSUES</b>
Responding of Audit Queries
Review of Audit queries for Management
Assessment, Valuation and Unbundling of Assets
<b>TRAINING AND SKILLS TRANSFER</b>
Transfer of skills to BTO staff on the components herein listed

CHECKLIST APPLICABLE FOR COMPILATION AND REVIEW OF THE ANNUAL FINANCIAL STATEMENTS FOR THE 2025/2026 FINANCIAL YEAR.

NO.	PROCEDURE	COMMENT	RESOLVED Y/N
1	Prior Year amounts		
1.1	Agree the prior year comparatives to the prior year audited AFS as disclosed in the annual report.		
1.2	Ensure that the closing balances as per the previous year trial balance agrees to the opening balance on the current year trial balance.		
1.3	Agree the latest closed off trial balance for the prior year		
2	Current Year TB		
2.1	Agree the TB which has been imported to the AFS software template to the Financial system trial balance.		
2.2	Ensure that the Financial System TB is the correct TB used.		
2.3	Check that all the items on the TB have been correctly mapped.		
2.4	Review and investigate any assets or expenditure accounts that have negative balances (credits) or income, liabilities or surplus accounts that are in debit.		
3	Statement of Financial Performance		
3.1	Agree all amounts per the Statement of		

	Financial Performance to the TB and that all accounts have been correctly mapped.		
3.2	Agree all amounts per the Statement of Financial Performance to the notes to the financial statements.		
3.3	Income  a) Inspect monthly rates reconciliation and agree the monthly billing report to the general ledger property rates account in the ledger (trial balance).  b) Review the service charges reconciliation and verify that the service charges billing report amount agrees with the amount in the general ledger.  c) For all other sources of income, establish the process for recording such income and agree to adequate supporting documentation.		
3.4	Payroll  a) Check that total employee costs as per the payroll system agree to the General Ledger salaries vote.  b) Where differences exist, review the reconciling items.		
4	Statement of Financial Position		
4.1	Agree amounts to the trial balance.		
4.2	Agree the amounts disclosed on the Statement of Financial Position to the notes to the financial statements.		
4.3	Inventory:  a) Agree inventory closing balance to supporting documentation.  b) Verify that inventory counts have been performed and such counts are reconciled to the accounting records.  c) Verify that any write downs of inventory or disposals are in accordance with the inventory policy and the accounting		

	<p>records have been updated correctly.</p> <p>d) Review the valuation of the inventory to ensure that it is in accordance with the accounting policy adopted by the municipality.</p>		
4.4	<p>Cash and Cash equivalents</p> <p>a) Agree the bank balance to the bank reconciliation and the bank statement. Ensure that there is supporting documentation for reconciling items.</p> <p>b) Ensure that there is source documentation for all petty cash balances e.g., the year-end reconciliation.</p> <p>c) Agree the balance per the investment register to the bank statement and Trial Balance.</p>		
4.5	<p>Receivables</p> <p>a) Review the working papers for receivables to ensure it agrees to the notes, all relevant information is included and that the ageing is reasonable.</p> <p>b) Review the reconciliation between the consumer debtor sub-ledger and the General Ledger and agree the amount to the financial statements.</p> <p>c) Obtain the other receivables listing/reconciliation and agree the closing balance agrees to the Trial Balance.</p> <p>d) Consider the reasonableness of the method used by the municipality to consider impairment of receivables.</p> <p>e) Use the ageing of the receivables report to assess the reasonableness of the allowance for doubtful accounts.</p> <p>f) Determine whether all bad debts have been written off in accordance with the municipality's Bad debt write-off policy</p>		

	<p>and can be supported by Council approvals.</p> <p>g) Recalculate the short-term portion (capital repayments within 12 months after year-end) from the amortization schedules of the long term debtors and confirm the correctness of the amount in the balance sheet.</p>		
4.6	<p>VAT Receivable/Payable</p> <p>a) Re-perform the reconciliation between VAT201 returns and the general ledger for the year under review.</p> <p>b) Vouch reconciling items against supporting documentation.</p> <p>c) Reconcile the yearend balance as per the general ledger to the outstanding VAT returns at year-end and agree to payments made / received after year-end.</p> <p>d) Agree the closing balance on the VAT reconciliation to the VAT 201 and Trial Balance.</p>		
4.7	<p>Assets: Property, Plant and Equipment</p> <p>a) Review the asset register and ensure that the opening balance for the various categories as per the asset register agrees with the opening balance as per the prior year annual financial statements.</p> <p>b) Review the assets register and ensure that the closing balances for the various categories as per the asset register agrees with the closing balance as per the trial balance.</p> <p>c) Review the componentisation of the asset register and verify if all assets have been appropriately "broken down". In instances where this is not the case, record as such and discuss with the municipality on possible ways to address this.</p>		

	<p>Asset Additions:</p> <p>d) Verify additions to adequate supporting documentation i.e. invoices / bill of quantities / practical completion certificate.</p> <p>e) Trace additions of assets from the capital ledger account and agree to the fixed asset register.</p> <p>Disposals of Assets:</p> <p>f) Trace disposals from the asset register and ensure that the required approvals by Council for disposal of assets are available for audit purposes.</p> <p>g). Ensure that the proceeds received on disposals have been correctly recorded on the Trial Balance and appropriately supported by the relevant documentation.</p> <p>Depreciation:</p> <p>h) Verify whether depreciation has been calculated for the year and ensure that such calculations have been appropriately performed in accordance with the accounting policy.</p> <p>Work in progress</p> <p>i) With regard to assets that are work in progress, verify that the municipality has a mechanism in place to identify completed projects (generally upon issue of a practical completion certificate). Ensure that the projects are being identified and capitalised correctly in a timeous manner</p>		
4.8	<p>Assets:</p> <p>Intangible assets</p> <p>a) Ensure that opening balances as per the register agree to opening balance as per the prior year AFS.</p>		

	<p>b) Verify that all items recorded as intangible meet the definition of such.</p> <p>c) Verify that the amortisation calculated is consistent with the accounting policy.</p> <p>d) Verify that the closing balance as per the intangible asset register agrees to the closing balance as per the trial balance.</p>		
4.9	<p>Assets: Investment Property</p> <p>a) Verify the opening balance for investment property as per the asset register and agree the opening balance to the prior year AFS.</p> <p>b) Verify additions to investment property and ensure that such additions have been appropriately valued and recorded.</p> <p>c) Ensure that the closing balance for investment property as per the asset register, agrees to the trial balance.</p> <p>d) Ensure that investment property has been valued by a valuator and has a valuation certificate and that the revaluation has been accounted for correctly in the annual financial statements.</p>		
4.10	<p>Liabilities: Unspent Conditional Grants and Receipts</p> <p>a) Review the grants register and ensure that the opening balance for each grant agrees to the opening balance as per the GL, and the total to the closing balance per the Trial Balance.</p> <p>b) Verify that the total expenditure reflected on the grants schedule/register agrees to the grant expenditure reflected on the General Ledger.</p> <p>c) In terms of income, ensure that all grants in terms of DORA have been recorded on the grants schedule correctly.</p>		

	<p>d) Ensure that all grants are supported by DORA or Service Level Agreements, and that supporting documentation is available for all expenditure.</p> <p>e) Verify that grant income is recognised in accordance with the grant expenditure.</p>		
4.11	<p>Trade and other payables</p> <p>a) Agree the closing balance on the creditors' ledger and accruals listing to the trial balance.</p> <p>b) Select a sample of creditors from the creditor's ledger and reperform the creditor's reconciliation.</p> <p>c) Obtain a summary of the accruals at year-end and perform the following procedures:</p> <p>i) Test the mathematical accuracy of the listing.</p> <p>ii) Compare the current year listing to that of the prior year and obtain explanations from management for any changes to ensure that there are no unrecorded liabilities.</p> <p>iii) Select a sample (deemed large or unusual) from the listing and trace to relevant documentation.</p> <p>d) Select a sample of payments from the July and August cash book and trace to supporting documentation. Identify invoices relating to the year-end but paid after year end; trace the invoices to the list of accruals to ensure that it is included.</p>		
4.12	<p>Other payables / Provisions</p> <p>Leave Pay Provision:</p> <p>a) Obtain the schedule prepared for the leave pay provision:</p>		

	<p>i) Trace leave credits per the schedule to the leave file of the employee and ensures that the amount agrees.</p> <p>(ii) Agree the annual salary of the employee as per the schedule to the employees personnel file.</p> <p>iii) Recalculate the amount of the leave pay provision to ensure mathematical accuracy.</p> <p>iv) Ensure that the employee does not have more accumulated leave credit than allowed by the leave policy.</p> <p>v) Select a sample of employees from the payroll and ensure through inspection of the provision listing whether they were included in the provision.</p> <p>Performance bonus</p> <p>a) Obtain the schedule of performance bonus payable at year-end. Determine through inspection of performance evaluation and council minutes that:</p> <p>i) Performance-based bonuses were due only after an evaluation of performance of the employee against a pre-determined set of key performance indicators.</p> <p>ii) Approval of such evaluation was given by the municipal council concerned.</p> <p>iii) Recalculate the bonus payable based on the score given and the conditions and bonuses as per the signed performance agreement.</p> <p>iv) Consider based on inspection of the evaluations and council minutes inspected.</p>		
4.13	Other payables / Provisions (cont.)  Long Service awards		

	<p>a) Obtain the basis used to calculate the provision and consider the suitability thereof.</p> <p>b) Evaluate the reasonableness of any assumptions used in the calculation of the provision.</p> <p>c) Confirm the completeness of the provision by selecting a sample of employees from the payroll of the municipality that would qualify for long term service awards in future and confirm that these employees were included in the provision.</p> <p>Provision for Post-Retirement Medical Aid</p> <p>a) Ensure that the municipality has appointed actuarial valuers to assist them with the calculations of the provision at year end in preparation for the annual financial statements.</p> <p>b) Inspect the valuator/expert report and agree the details of the valuation i.e. amount, period, to the amount disclosed in the financial statement.</p> <p>Retention fees</p> <p>Selected a sample of retention fees as per the list of retentions:</p> <p>a) Recalculate the retention fees on the outstanding contracts by agreeing the % to the contract and inspection of the last project evaluation certificate.</p> <p>b) To ensure completeness of retention fees inspect the project register and select a sample of projects from the register and inspect the list of retentions to validate the information.</p>		
4.14	Consumer deposits		

	<p>a) Review the reconciliations/deposit listings for all deposit vote accounts and ensure that the opening balance on these listings agrees with the opening balance as per TB.</p> <p>b) Select a sample of deposits received during the year and inspect the relevant contracts for the terms and conditions. Recalculate the amount receivable and compare it to the actual amount received as per the general ledger. Follow the receipts through to the Bank statement.</p> <p>c) Ensure that supporting documentation is available for refunds/payments made in terms of deposit reimbursements.</p> <p>d) Agree the closing balance on the deposit reconciliation to the closing balance on the Trial Balance.</p>		
5	Statement of Changes in Net Assets		
5.1	Agree amounts to the trial balance.		
5.2	Review balances for reasonableness.		
5.3	Equity: Accumulated Surplus account		
6	Cashflow Statement		
6.1	Confirm the accuracy of the cash flow statement by reperformance.		
6.2	Agree amounts on the cashflow to the statement of financial performance and financial position		
6.3	Check the notes to the cashflow statement.		
7	Budget Statement		
7.1	Agree the budget statement amounts disclosed on the annual financial statements to the Council approved budget.		
7.2	Agree the adjustment budget amounts to minutes of the Council meeting.		
7.3	Review the correspondence of evidence of submission of the budget to Treasury within 10 working days after council approved the annual budget		
7.4	Check the calculation of unauthorised		

	expenditure, ensuring that the savings on conditional grants are taken into account		
7.5	<p>Determine if the municipality only incurred expenditure in terms of an approved budget and within the limits of the amounts appropriated for the different votes in an approved budget.</p> <p>Note: Perform a comparison of budgeted expenditure to actual per vote and determined if the budgeted limits were exceeded for any vote.</p>		
8	Disclosure Notes		
8.1	<p>Contingent Liability</p> <p>a) Review the working papers for contingent liabilities and assets to ensure the amounts disclosed appears reasonable. Compare to prior years.</p> <p>b) Review the contingent liability raised at year end and agrees to the legal confirmations received.</p>		
8.2	<p>Commitments</p> <p>a) Review the working papers for capital commitments and inspect supporting documents. Ensure correct split between capital and current, approved and not approved.</p> <p>b) Agree the amounts for lease commitments to working papers. Ensure the future payments are calculated correctly.</p>		
8.3	<p>Unauthorised, irregular, fruitless, and wasteful expenditure</p> <p>a) Agree the Opening Balance as per the unauthorised, fruitless, and wasteful expenditure registers to the closing balances as disclosed in the prior year AFS.</p> <p>b) Agree the closing balance on the register to the disclosure note in the AFS. c) Agree a sample of irregular expenditure to supporting documentation, ensuring it is</p>		

	<p>disclosed correctly.</p> <p>d) Agree a sample of fruitless and wasteful expenditure to supporting documentation, ensuring it is disclosed correctly.</p> <p>e) Review the note on unauthorised expenditure, irregular, fruitless and wasteful expenditure to ensure correct disclosure. Ensure that the relevant registers are included.</p> <p>f) For all expenditure condoned, review the relevant council resolutions / Treasury approval.</p>		
9	<p>GRAP Standards</p> <p>Review the annual financial statements for completeness of disclosure of GRAP standards using the GRAP disclosure checklist.</p>		
10	<p>Accounting officer's Report</p> <p>Review the Report of the Accounting Officer ensuring that the amounts disclosed on the Accounting Officer's report agrees to the financials.</p>		
11	<p>General</p> <p>a)The following are included in the financial statements:</p> <ul style="list-style-type: none"> <li>• Report of the Accounting officer.</li> <li>• Statement of financial performance.</li> <li>• Statement of financial position.</li> <li>• Statement of changes in net assets</li> <li>• Cash flow statement.</li> <li>• Budget statement</li> <li>• Accounting policies.</li> <li>• Notes to the annual financial statements.</li> </ul>		

	<p>b) All totals cast and cross cast.</p> <p>c) The following information is provided on all the pages of the financial statements and is correct on all the pages:</p> <ul style="list-style-type: none"> <li>• Name of the Municipality.</li> <li>• Statement heading.</li> <li>• Reporting date.</li> </ul> <p>d) The following information is disclosed prominently in the financial statements:</p> <ul style="list-style-type: none"> <li>• Presentation currency.</li> <li>• Level of rounding used in presenting amounts.</li> </ul> <p>e) The sequence of page numbers is correct and complete.</p> <p>f) Ensure quality of the financial statements is acceptable and errors and omissions checked accordingly</p>		
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The following will be the evaluation criteria for functionality:

Values: 1-5 (**weight will be multiplied by value to determine the score**)

**1= poor 2= average 3= good 4= very good 5= excellent**

No	Criteria	Weight	Values (Points allocation)
<b>1</b>	<b>The service provider must at least have three (3) year experience in the same project proven by appointment letter and submit at least three (3) reference letter of project successful implementation</b>	<b>30</b>	
	Appointment Letters:	15	
	1.1 Two, one or no experience		1
	1.2 Three years' experience		4
	1.3 Four years' experience and above		5
	Reference Letters:	15	

	1.1 Two, one or no reference letter(s)		1
	1.2 Three reference letters		4
	1.3 Four reference letters or above		5
<b>2</b>	<b>Proven track record of unqualified audit opinion with compilation of AFS and audit support for Municipalities:</b> <i>Minimum of at least three reference letters to be attached</i>	<b>20</b>	
	2.1 Two, one or non-submission as a minimum requirement is three (3)		1
	2.2 Three reference letters		4
	2.3 Four and more reference letters		5
<b>3</b>	<b>Proof of relevant accounting qualifications of the company's lead Consultants verified by South African Qualifications Authority (SAQA) must have at least NQF level 7.</b>	<b>20</b>	
	3.1 If submitted – maximum points/values must be allocated		5
	3.2 Non-submission		1
<b>4</b>	<b>A company's lead Consultant(s) responsible for preparation and compilation must have experience of preparing and compiling GRAP compliant Annual Financial Statements with the new mSCOA system in Local Government (even if it is one Consultant).</b>  <i>Please attach three (3) reference letters from municipalities clearly stating the financial year(s).</i>	<b>20</b>	
	4.1 One, Two (years) reference letter or non-submission		1
	4.2 Three (years) reference letter		4
	4.3 Four (years) or more reference letter		5
<b>5</b>	<b>Skills Transfer Plan-</b> Detailed plan on how this will be done and measured to ensure that municipal officials will be able to perform all the works contained in the scope of work after the conclusion of the contract.	<b>10</b>	
	5.1 If submitted – maximum points/values must be allocated		5
	5.2 Non-submission		1
	<b>Total Points</b>	<b>100</b>	

The minimum threshold/points to qualify for the second stage of evaluation will be **70% per cent**, failure of which will result in such a service provider/supplier being automatically disqualified and not proceeding to other stage of evaluation where **Price** and **Specific goals** will be used to determine the successful bidder.

<p><b>ADVERTISEMENT</b></p> <p><b>TENDER NO: COMPILATION AND REVIEW OF ANNUAL FINANCIAL STATEMENT</b></p> <p><b>FOR 2025/26 FINANCIAL YEAR</b></p>
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Xhariep District Municipality hereby invite all reputable and capable service providers for the abovementioned tender. Tender documents and specifications are available from the date of advertisement, Supply Chain Management Office from Mondays to Thursdays during normal working hours (08H00 – 16H00) and Fridays until 15H00 upon payment of a non-refundable amount of **R550.00** per bid document. Sealed bids marked: **“Tender no: XDM-AFS 25/26 “COMPILATION AND REVIEW OF ANNUAL FINANCIAL STATEMEN”** must be placed In the bid box at the reception, **Xhariep District Municipality, situated at 20 Louw Street, Trompsburg, 9913**, not later than **12H00, 16 APRIL 2026** and thereafter the bids will be opened in public at the municipal side hall. Bid(s) may be hand delivered to Xhariep District Municipality: for the attention of **Municipal Manager, Ms LY Moletsane or Posted to: Xhariep District Municipality, Private Bag X136, Trompsburg, 9913**, to reach us before the above-mentioned date and time. The municipality, in terms of its Supply Chain Management Policy, is under no obligation to accept late bid(s). No faxed bid documents will be accepted by the Municipality.

The following special conditions will apply and must be adhered to by all the bidders, failure to comply with the bellow will result in disqualification of the bid:

- Bid documents are available at non-refundable cash payment of R550.00 or alternatively can be obtainable for free on National Treasury E-tender portal.
- The 80/20 preference points system will be used for this bid.
- Functionality scoring will be applied.
- Proof of (CSD) Central Supplier Database Registration must accompany the bid document.
- Tax Compliance Status pin must be submitted.
- Proof of municipal rates and taxes not older than 90 days/lease agreement must be attached.
- No bid documents will be considered from a person in service of the state.
- Bids must be enclosed in a sealed envelope clearly stating the tender reference number.
- The general conditions of contract will be applicable to this tender.
- ***Each page of General Condition of a Contract “GCC” must be initialled by the service provider.***
- Bids not fully completed and signed by the bidders will be rejected.
- No correction fluid will be used on the document.
- Bids received after closing **TIME** and/ or **DATE** will **NOT** be considered.
- All bids that do not comply with the above conditions will be disqualified.
- The bid with the lower/lowest price or higher/highest points may not necessarily be accepted.
- Xhariep District Municipality reserves the right not to award any contract to any bidder.
- Bids must be placed in the Xhariep District Municipality’s tender box. No emailed or faxed tenders will be accepted.

**Ms LY Moletsane**  
**MUNICIPAL MANAGER**

## **General Conditions of Contract**

### **1. Definitions**

1. The following terms shall be interpreted as indicated:

1.1 “Closing time” means the date and hour specified in the tender documents for the receipt of tenders.

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 incorporate by reference therein.

1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.

1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.

1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.

1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.

1.7 “Day” means calendar day.

1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.

1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.

1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the

supplier bearing all risks and charges involved until the goods are so delivered and a valid receipt is obtained.

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

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

1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among Bidders (prior to or after Tender submission) designed to establish Tender prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

1.14 "GCC" means the General Conditions of Contract.

1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

1.16 "Imported content" means that portion of the tender price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the goods covered by the tender will be manufactured.

1.17 "Local content" means that portion of the tender price, which is not included in the imported content provided that local manufacture does take place.

1.18 “Manufacture” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

1.19 “Order” means an official written order issued for the supply of goods or works or the rendering of a service.

1.20 “Project site,” where applicable, means the place indicated in tender documents.

1.21 “Purchaser” means the organization purchasing the goods.

1.22 “Republic” means the Republic of South Africa.

1.23 “SCC” means the Special Conditions of Contract.

1.24 “Services” means those functional services ancillary to the 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.

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

1.26 “Tort” means in breach of contract.

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

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

## **2. Application**

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

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

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

### **3. General**

3.1 Unless otherwise indicated in the tender documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a Tender. Where applicable a non-refundable fee for documents may be charged.

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

### **4. Standards**

4.1 The goods supplied shall conform to the standards mentioned in the tender 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 be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

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

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

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

## **6. Patent Rights**

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

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

## **7. Performance 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:

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

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

## **8. Inspections, tests and analyses**

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

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

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

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

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

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

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

further opportunity to substitute the rejected goods, purchase such goods as may be necessary at the expense of the supplier.

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

## **9. Packing**

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

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

## **10. Delivery and documents**

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

## **11. Insurance**

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

## **12. Transportation**

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

## **13. Incidental Services**

13.1 The supplier may be required to provide any or all of the following services, including additional services, if any:

- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
- (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

(d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

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

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

#### **14. Spare parts**

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

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

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

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

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

#### **15. Warranty**

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser'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.

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

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

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

## **16. Payment**

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

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

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

16.4 Payment will be made in Rand unless otherwise stipulated.

## **17. Prices**

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

## **18. Variation orders**

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

## **19. Assignment**

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

## **20. Subcontracts**

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

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

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

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

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

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

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

## **22. Penalties**

22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the

delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

### **23. Termination for default**

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

- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- (b) if the supplier fails to perform any other obligation(s) under the contract; or
- (c) if the supplier, in the judgement of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner, as it deems appropriate, goods, works 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.

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

24.1 When, after the date of Tender, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or antidumping 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 supplier to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the supplier in regard to goods or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

### **25. Force Majeure**

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his

delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

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

## **26. Termination for insolvency**

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

## **27. Settlement of Disputes**

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

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

## **28. Limitation of Liability**

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

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

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

(a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest

costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

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

### **29. Governing language**

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

### **30. Applicable law**

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

### **31. Notices**

31.1 Every written acceptance of a Tender 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 Tender 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 Tender 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.

### **33. Transfer of contracts**

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

### **34. Amendment of contracts**

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

### **35. Prohibition of restricted practices**

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

35.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No. 89 of 1998.

35.3 If a bidder(s) or contractor(s) has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

**INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF XHARIEP DISTRICT MUNICIPALITY

**BID NUMBER:** XDM-AFS 25/26 **CLOSING DATE :** 16 APRIL 2026 **CLOSING TIME:** 12:00 pm  
**DESCRIPTION:** COMPILATION AND REVIEW OF ANNUAL FINANCIAL STATEMENT FOR 2025/26 FINANCIAL YEAR

**The successful bidder will be required to fill in and sign a written Contract Form.**

Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration.

**The bid box is generally opens between 08:00 and 16:00, Monday- Thursday and Friday at 15H00.**

ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS – (NOT TO BE RE-TYPED)

THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2011, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT

NB: NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE (as defined in Regulation 1 of the Local Government: Municipal Supply Chain Management Regulations)

THE FOLLOWING PARTICULARS MUST BE FURNISHED  
(FAILURE TO DO SO MAY RESULT IN YOUR BID BEING DISQUALIFIED)

NAME OF BIDDER  
.....

POSTAL ADDRESS  
.....

STREET ADDRESS  
.....

TELEPHONE NUMBER

CODE.....NUMBER.....CELLPHONE  
NUMBER

.....

FACSIMILE NUMBER  
CODE NUMBER.....  
E-MAIL  
ADDRESS.....

VAT REGISTRATION NUMBER

.....  
HAS AN ORIGINAL AND VALID TAX CLEARANCE CERTIFICATE BEEN  
ATTACHED/TAX COMPLIANCE STATUS PIN? (MBD 2)

YES/NO

HAS A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE BEEN SUBMITTED? (MBD  
6.1)

YES/NO

IF YES, WHO WAS THE CERTIFICATE ISSUED BY?

AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT  
(CCA)

A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN NATIONAL  
ACCREDITATION SYSTEM (SANAS)

A REGISTERED AUDITOR

(Tick applicable box)

**(A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE MUST BE SUBMITTED  
IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE)**

ARE YOU THE ACCREDITED REPRESENTATIVE  
IN SOUTH AFRICA FOR THE GOODS/SERVICES/WORKS OFFERED?

YES/NO

(IF YES ENCLOSE PROOF)

.....  
SIGNATURE

.....  
NAME OF THE BIDDER

.....  
DATE

.....  
UNDER WHICH CAPACITY

TOTAL BID PRICE .....

TOTAL NUMBER OF ITEMS OFFERED.....

**ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED  
TO:**

**Municipality Xhariep District Municipality  
Department: Supply Chain Management Office  
Contact Person: Mrs TF Tshabalala – SCM Manager**

## TAX CLEARANCE CERTIFICATE REQUIREMENTS

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 Service (SARS) to meet the bidder's tax obligations.

1 In order to meet this requirement bidders are required to complete in full the attached form TCC 001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.

2 SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.

3 The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.

4 In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.

5 Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website [www.sars.gov.za](http://www.sars.gov.za).

**6 Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website [www.sars.gov.za](http://www.sars.gov.za).**

**PRICING SCHEDULE – FIRM PRICES  
(PURCHASES)**

**NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED**

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

Name of Bidder.....	Bid Number.....
Closing Time .....	Closing Date .....

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

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)
-	Required by:		.....
-	At:		.....
-	Brand and Model		.....
-	Country of Origin		.....
-	Does the offer comply with the specification(s)?		*YES/NO
-	If not to specification, indicate deviation(s)		.....
-	Period required for delivery		..... *Delivery: Firm/Not firm
-	Delivery basis		.....

Note: All delivery costs must be included in the bid price, for delivery at the prescribed destination.

**DECLARATION OF INTEREST**

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

3. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

3.1 Full Name of bidder or his or her Representative:.....

3.2 Identity Number: .....

3.3 Position occupied in the Company (director, trustee, hareholder<sup>2</sup>):.....

3.4 Company Registration Number: .....

3.5 Tax Reference Number:.....

3.6 VAT Registration Number: .....

3.7 The names of all directors / trustees / shareholders members, their individual identity numbers and state employee numbers must be indicated in paragraph 4 below.

3.8 Are you presently in the service of the state? **YES / NO**

3.8.1 If yes, furnish particulars. ....

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

- (a) a member of –
  - (i) any municipal council;
  - (ii) any provincial legislature; or
  - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act

No.1 of 1999);

- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature.

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

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

3.9.1 If yes, furnish particulars.....

3.10 Do you have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid? ..... **YES / NO**

3.10.1 If yes, furnish particulars.

.....  
3.11 Are you, aware of any relationship (family, friend, other) between any other bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid? ..... **YES / NO**

3.11.1 If yes, furnish particulars

.....  
3.12 Are any of the company’s directors, trustees, managers, principle shareholders or stakeholders in service of the state? ..... **YES / NO**

3.12.1 If yes, furnish particulars.

.....  
3.13 Are any spouse, child or parent of the company’s directors trustees, managers, principle shareholders or stakeholders in service of the state? ..... **YES / NO**

3.13.1 If yes, furnish particulars.

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

3.14.1 If yes, furnish particulars:

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

Full Name	Identity Number	State Employee Number

.....  
**Signature**

.....  
**Date**

.....  
**Capacity**

.....  
**Name of Bidder**

**DECLARATION FOR PROCUREMENT ABOVE R10 MILLION (ALL APPLICABLE TAXES INCLUDED)**

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

1 Are you by law required to prepare annual financial statements for auditing?

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.

**\*YES / NO**

.....  
.....

2 Do you have any outstanding undisputed commitments for municipal services towards any municipality for more than three months or any other service provider in respect of which payment is overdue for more than 30 days?

2.1 If no, this serves to certify that the bidder has no undisputed commitments for municipal services towards any municipality for more than three months or other service provider in respect of which payment is overdue for more than 30 days.

2.2 If yes, provide particulars.

.....  
.....  
.....

\* Delete if not applicable

**\*YES / NO**

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?

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

.....  
Position

.....  
Name of Bidder

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

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

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

**1. GENERAL CONDITIONS**

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

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

**1.2 To be completed by the organ of state**

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

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

- (a) Price; and
- (b) Specific Goals.

**1.4 To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

	<b>POINTS</b>
<b>PRICE</b>	80
<b>SPECIFIC GOALS</b>	20
<b>Total points for Price and SPECIFIC GOALS</b>	<b>100</b>

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

1.6 The organ of state reserves the right to require of a tenderer, either before a tender is

adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

## 2. DEFINITIONS

- a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

## 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1. POINTS AWARDED FOR PRICE

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

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

$$P_s = 80 \left( 1 - \frac{P_t - P_{min}}{P_{min}} \right) \text{ or } P_s = 90 \left( 1 - \frac{P_t - P_{min}}{P_{min}} \right)$$

Where

$P_s$  = Points scored for price of tender under consideration

$P_t$  = Price of tender under consideration

$P_{min}$  = Price of lowest acceptable tender

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

#### 3.2.1. POINTS AWARDED FOR PRICE

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

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

Where

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

#### 4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
  - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system, then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

#### POINTS ALLOCATION FOR SPECIFIC GOALS WILL BE AS FOLLOWS:

No	Element	Maximum Points	Means of Verification
1	Locality	20	Proof of residence or letter from the Municipality
	<b>Total Points</b>	<b>20</b>	

- To claim points on specific goal, the service providers should attach the relevant supporting documents.
- The points claimed should match the appropriate row within each of the specific goals claimed.
- The level of points is shown in **Table 1** below.

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

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

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

No	The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	
<b>1</b>	<b><i>Locality (Indicate points claimed on only one applicable space).</i></b>	<b><i>(Maximum claimable)</i></b>	<b>Please select ONLY one</b>
	Within the boundaries of Xhariep	20	
	Or outside the boundaries of Xhariep but within Free State	10	
	Or outside the boundaries of Free State but within the RSA	5	
<b>3</b>	<b>Total of specific goals</b>	<b>20</b>	

#### **DECLARATION WITH REGARD TO COMPANY/FIRM**

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

4.4. Company registration number .....

4.5. TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One-person business/sole propriety
- Close corporation
- Public Company
- Personal Liability Company
- (Pty) Limited
- Non-Profit Company
- State Owned Company

[TICK APPLICABLE BOX

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in

paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;

- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
- (a) disqualify the person from the tendering process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
  - (e) forward the matter for criminal prosecution, if deemed necessary.

..... <b>SIGNATURE(S) OF TENDERER(S)</b>	
<b>SURNAME AND NAME:</b>	.....
<b>DATE:</b>	.....
<b>ADDRESS:</b>	..... .....

**DECLARATION OF BIDDER’S PAST SUPPLY CHAIN MANAGEMENT PRACTICES**

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

Item	Question	Yes	No
4.1	<p>Is the bidder or any of its directors listed on the National Treasury’s Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</p> <p>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/ Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</p> <p><b>The Database of Restricted Suppliers now resides on the National Treasury’s website(<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</b></p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?</p> <p><b>The Register for Tender Defaulters can be accessed on the National Treasury’s website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b></p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		

4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
<b>Item</b>	<b>Question</b>	<b>Yes</b>	<b>No</b>
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 <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

**CERTIFICATION**

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

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

.....  
**Signature**

.....  
**Date**

.....  
**Position**

.....  
**Name of Bidder**

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

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

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

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

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

---

(Bid Number and Description)

in response to the invitation for the bid made by:

---

(Name of Municipality / Municipal Entity)

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

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

(Name of Bidder)

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

- (b) geographical area where product or service will be rendered (market allocation)
- (c) methods, factors or formulas used to calculate prices;
- (d) the intention or decision to submit or not to submit, a bid;
- (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
- (f) bidding with the intention not to win the bid.

8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.

9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder