



TENDER NUMBER EDM/23/2025-26

APPOINTMENT OF A SERVICE PROVIDER TO RENDER PHYSICAL SECURITY SERVICES AT THE OFFICES OF EHLANZENI DISTRICT MUNICIPALITY FOR A PERIOD OF 36 MONTHS

CLOSING DATE: FRIDAY, 09 JANUARY 2026 AT 12H00

NAME OF TENDERER: _____

CSD Reg NO.: _____

TENDERER CONTACT NO.: _____



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NOTICE AND INVITATION TO TENDER

EDM/23/2025-26

APPOINTMENT OF A SERVICE PROVIDER TO RENDER PHYSICAL SECURITY SERVICES AT THE OFFICES EHLANZENI DISTRICT MUNICIPALITY FOR A PERIOD OF 36 MONTHS

EHLANZENI DISTRICT MUNICIPALITY HEREBY INVITES SUBMISSIONS FOR THE ABOVE TENDER

1. Only tenderers who have provided the following mandatory information and documents to be used to evaluate the tenderers' responsiveness will be considered for further evaluation on functionality and preference point scoring system.
 - 1.1 Only tenderers who are registered on the Central Supplier Database (CSD) will be considered and the copy of the CSD report not older than three months be submitted,
 - 1.2 Form of offer must be firm, VAT and other tax inclusive and valid at least Ninety (90) days from the closing date.
 - 1.3 No tender shall be considered for the person who are in the service of the state,
 - 1.4 Valid SARS PIN certificate must be attached,
 - 1.5 Attached certified copy of company registration documents issued by the Companies and Intellectual Property Commission (CIPC) and tenderer must attach shareholder's certificates where applicable.
 - 1.6 Attach certified copies of identity documents (ID) of all company directors,
 - 1.7 Attach verifiable Municipal Account/s not older than three months for both the tenderer and entity owner or directors. In areas where the municipalities are not issuing municipal accounts, attach valid lease agreements or confirmation of residence or address for both the tenderer and entity owner or directors issued by a relevant authority not older than three months.
 - 1.8 Attach certified copy of registration with the Private Security Industry regulatory authority (PSIRA).
 - 1.9 Attach a valid COIDA certificate from the Department of Employment and Labour.
 - 1.10 Attach audited and signed copies of audited Annual Financial Statements for the past three years or since the company came into existence if not older than three years.
 - 1.11 Fully completed tender document as issued and signed and submitted on the PDF document that has been issued. All certified documents must not be older than three months.
 - 1.12 Tenderers are advised not to commit any fraudulent activities, including forgery of documents. All abuses of the Supply Chain Management (SCM) systems including but not limited to forgery of returnable documents, may be reported to the South African Police Service (SAPS) and restricted from doing business with any public institution or organ of the state for a period not exceeding 10 years in line with the Prevention of Fraud and Corrupt Activities Act 12 of 2004.
2. The tender will be evaluated on the 80/20 Preference Points system in accordance with Preferential Procurement Policy of the Ehlanzeni District Municipality. The preference points system will be applied as follows: -
 - 2.1 The 80 points will be for price
 - 2.2 The 20 points will be allocated for the specific goals on a proportional or pro rata basis as mentioned below:

POINTS FOR CONTRACTING AN ENTERPRISE OWNED BY HISTORICALLY DISADVANTAGED PERSONS OR INDIVIDUALS		
HISTORICALLY DISADVANTAGED PERSONS OR INDIVIDUALS	POINTS ALLOCATION	SOURCE DOCUMENTS REQUIRED TO CLAIM POINTS
100% black person or people owned Enterprise	2,0	A copy of a Full CSD report not older than 3 months
More than 30% woman or women shareholding or owned enterprise	2,0	
More than 30% youth shareholding or owned enterprise	2,0	
More than 30% people living with disability shareholding or owned Enterprise	2,0	A copy of a Medical Certificate to confirm disability or stated on the CSD report
POINTS FOR IMPLEMENTING OF RDP PROGRAMMES		
Enterprises regarded as *EMEs located within the Ehlanzeni District Municipality area of jurisdiction	2,0	<ul style="list-style-type: none"> ➤ A copy of a Full CSD report not older than 3 months <p>NB: Points will only be awarded if the CSD physical address is the same as the address for the proof of residence required in 1.7 above.</p>
Sub-contract minimum of 30% of the contract value to EMEs in the ward or local communities where the services to be rendered or works to be undertaken	2,0	<ul style="list-style-type: none"> ➤ Commitment letter of works or services to be sub-contracted.
Corporate Social Investment (CSI) or Social Labour Plan proposition	5,0	<ul style="list-style-type: none"> ➤ Attach a CSI plan or Social Labour Plan
B-BBEE level 1 contribution	3,0	<ul style="list-style-type: none"> ➤ Certified Valid SANAS Accredited BBBEE certificate; or ➤ Certified Valid EME and SME a sworn affidavit; or ➤ Certified Valid CIPC issued certificate confirming annual turnover and level of Black Ownership.
TOTAL PREFERENCE POINTS TO CLAIMED	20,0	

**EME's are Exempted Micro Enterprise with an annual turnover of R10 million or less.*

**All the certified documents as stated must not be older than three months.*

Received tenders will be evaluated for responsiveness based on mandatory requirements and functionality. Tenderers must obtain a minimum of 70 functionality points out of a possible 100 points to qualify for further evaluation in line with the 80/20 Price and Preference Points System.

Bid documents can be viewed and downloaded at no cost on the Document Sharing and Collaboration Platform or Portal (NEPTUNE): <http://edmservices.ehlanzeni.gov.za> and National Treasury Portal from **Monday, 01 December 2025**. Further information regarding the downloading and uploading of documents will be explained at the compulsory briefing session.

A compulsory briefing session will be held on **Thursday, 04 December 2025, 10h00** at **Ehlanzeni District Municipality Office Complex, DMC, 8 Van Niekerk Street, Sonheuwel Central, Mbombela, 1201.**

Where bids should be submitted - Completed bid and other returnable documents must be submitted only in PDF format on the Document Sharing and Collaboration Platform or Portal: <http://edmservices.ehlanzeni.gov.za> on or before **Friday, 09 January 2026** not later than **12h00**.

Enquiries: Contact Person - ADMINISTRATION: Mr. P Khumalo at 013 759 8-573 or pkhumalo@ehlanzeni.gov.za

Contact Person – TECHNICAL: Mr. M Msomi at 013 759 8500 or mmsomi@ehlanzeni.gov.za

Ehlanzeni District Municipality reserves the right to appoint for the whole or part of the tender or not to appoint at all.

Dr E N M MKHATSHWA
ACTING MUNICIPAL MANAGER
P.O. BOX 3333
MBOMBELA
1200

PART A

INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE EHLANZENI DISTRICT MUNICIPALITY					
BID NUMBER:	EDM/23/2025-26	CLOSING DATE:	09 JANUARY 2026	CLOSING TIME:	12H00
DESCRIPTION	APPOINTMENT OF A SERVICE PROVIDER TO RENDER PHYSICAL SECURITY SERVICES AT THE OFFICES OF EHLANZENI DISTRICT MUNICIPALITY FOR A PERIOD OF 36 MONTHS				
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT <input type="checkbox"/> Yes <input type="checkbox"/> No		
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED? <input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3]		
TOTAL NUMBER OF ITEMS OFFERED			TOTAL BID PRICE (THREE YEARS)		R
SIGNATURE OF BIDDER			DATE		
CAPACITY UNDER WHICH THIS BID IS SIGNED					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:			TECHNICAL INFORMATION MAY BE DIRECTED TO:		
DEPARTMENT	SUPPLY CHAIN MANAGEMENT		CONTACT PERSON	M MSOMI	
CONTACT PERSON	P Khumalo		TELEPHONE NUMBER	013 759 8500	
TELEPHONE NUMBER	013 759 8573		FACSIMILE NUMBER	013 759 8567	
FACSIMILE NUMBER	013 759 8567		E-MAIL ADDRESS	mmsomi@ehlanzeni.gov.za	
E-MAIL ADDRESS	pkhumalo@ehlanzeni.gov.za				

PART B TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:										
<p>1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p> <p>1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED--(NOT TO BE RE-TYPED) OR ONLINE</p> <p>1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.</p>										
2. TAX COMPLIANCE REQUIREMENTS										
<p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.</p> <p>2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.</p> <p>2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.</p> <p>2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.</p> <p>2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.</p> <p>2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.</p>										
3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS										
<table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?</td> <td style="width: 30%; text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> </table> <p>IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.</p>	3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO									
3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO									
3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO									
3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO									
3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	<input type="checkbox"/> YES <input type="checkbox"/> NO									

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

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

DATE:

SPECIAL CONDITIONS OF THE TENDER

1. SUBMISSION OF TENDERS

Only tenders submitted electronically via the Document Sharing and Collaboration Platform (Neptune) as stated on the bid notice and invitation to the tender will be considered.

2. TENDER SUBMISSION

It is compulsory that service providers download a copy of the bid document that will ONLY be available as from 25 November 2025 on the Document Sharing and Collaboration Platform (Neptune), free of charge.

3. ADJUDICATION OF TENDER

Ehlanzeni District Municipality will not be bound to accept the lowest or any tender and also reserves the right to cancel or appoint 1 or more eligible service providers when deemed necessary.

The tender will be adjudicated by Ehlanzeni District Municipality in terms of the preferential point system shall apply where by this contract will be allocated to a bidder in accordance with the Preferential Procurement Policy Framework Act, act no. 5 of 2000 and as defined in the conditions of bid in the bid document, read in conjunction Preferential Procurement Regulations of 2022, where 80 points will be allocated in respect of price and 20 points in respect of specific goals.

MBD 1 must be furnished in full and signed. It will further be regarded as a form of offer and failure to adhere to this condition will render your bid non-responsive.

3. COMPLETION OF TENDER DOCUMENTS

Tenders will only be considered on receipt of this tender document correctly completed with all insertions in black ink and signed, including all the mandatory documents.

4. COMPULSORY BRIEFING SESSION

Yes, make reference to the tender notice and invitation to tender.

5. TAXES AND DUTIES PAYABLE

Bidders shall allow in their tender for the payment and recovery of all taxes and other duties. No claims for additional payment in this respect will be considered. Prices and rates quoted shall be inclusive of Value Added Tax (VAT). VAT shall be recorded as a lump sum in the tender summary and the total inclusive of VAT carried to the Form of Tender.

6. WITHDRAWAL OF TENDER

In the event of the successful bidder failing to execute the service in terms of this tender, the Municipality shall be entitled to cancel the contract summarily, in which event the Bidder shall be liable for any additional expense incurred by reason of the Municipality having to call for fresh tenders or having to accept any less favourable tender.

7. PERIOD OF VALIDITY OF TENDERS

The period of validity of tenders shall be 90 days as stated in the tender form and be calculated from the closing date for submission of tenders.

8. NOTICE OF TENDERERS

Should any additions or alterations to the document as issued to Tenderers be deemed necessary prior to the date for submission of tenders, these will be issued to Tenderers in the form of Notices to Tenderers and will form part of the tender document.

The Notices to Tenderers shall be completed where applicable by Tenderers, signed, dated and returned with the tender documents.

9. PRICE

Tender prices will be regarded as fixed, and no additional cost will be added. All prices must be stated in S A currency. The tender prices must include delivery, off-loading and VAT (if applicable).

10. CESSION OF ASSIGNMENT

Neither the municipality nor the bidder shall cede or assign a contract for the required rendering of services or any part thereof or any benefit or interest therein or there under to third parties without having obtained written permission from the Council.

11. DELIVERY

All services must be rendered according to specifications. The successful bidder must deliver all the items within two (2) weeks after the final adjudication and signing of contract. It is important that a delivery be made on or before the due date in terms of the contract. On the delivery of vehicles, a maximum of 50 kilometers travelling amongst other things will be accepted.

TERMS OF REFERENCE

PROVISION OF SECURITY SERVICES AT THE OFFICES OF EHLANZENI DISTRICT MUNICIPALITY

1. INTRODUCTION.

The Ehlanzeni District Municipality would like to procure the services of reputable firm or service provider within the security industry to provide security guarding services at its offices situated at 8 Van Niekerk Street, Mbombela.

2. OBJECTIVES.

The objective of appointing a service provider or firm or company for the provision of security guarding services at the offices of Ehlanzeni District Municipality is to ensure the safe keeping of the offices and all its movable and immovable assets at all times.

3. REQUIREMENTS

The targeted firm or service provider or company is one with a good reputation, proven track record and meets all the mandatory requirements and satisfy all the criteria set for evaluation purposes.

For purposes of proper evaluation of price, bidders must make their bid offers on monthly and annual (over twelve months) basis. A clear indication must be made by bidders on all possible requirements for the adjustment of the offer in a percentage form. Bidders must also attach proof of registration of its personnel with the relevant regulatory authority, and for all equipment where applicable.

4. SCOPE OF WORK.

The successful service provider is expected to provide 24-hour guarding services in the offices of Ehlanzeni District Municipality. The services will be structured as follows:

4.1. SUPERVISION

- (a) Provide one Grade A or B, armed with 9mm pistol
Day shift from 06H00 to 18H00 (Monday to Friday)

4.2. MAIN GATE

4.2.1. Number of Guards: Day Shift

- (a) Provide three (3) Grade C Guards; 2 armed guards with 9mm pistols and 1 unarmed guard
- (b) Day shift from 06H00 to 18H00 (Monday to Sunday)

4.2.2. Number of Guards: Night Shift

- (a) Provide three (3) Grade C Guards; 2 armed guards with 9mm pistols and 1 unarmed guard
- (b) Night shift from 18H00 to 06H00 (Monday to Sunday).

4.3. MAIN BUILDING AND PATROL OF PREMISES

4.3.1. Number of Guards: Day Shift

- (a) Provide three (3) Grade C Guards unarmed
- (b) Day shift from 06H00 to 18H00 (Monday to Friday)

4.3.2. Number of Guards: Night Shift

- (a) Provide two (2) Grade C Guards; One (1) guard armed with 9mm pistol, and one (1) unarmed guard.
- (b) Night shift is from 18H00 to 06H00 (Monday to Sunday).

4.1.3 The prospective service provider must have the compliance certificate of both the Company and the Firearm user which should be renewed at least once every twelve (12) months and shall be issued by a qualified gunsmith.

4.1.4 Shift duration of security officers shall be limited to a maximum of twelve (12) hours on all premises occupied by the Ehlanzeni District Municipality.

4.1.5 No security officer may work more than forty-eight (48) hours in any seven (07) day circle, unless there is arranged overtime with the employee. (Please refer to Basic Conditions of Employment Act, No. 75 of 1997, as amended. Sectoral Determination 6 Clause 5, sub clause (a), (b), (c).

5. DURATION OF CONTRACT

The intended term of the contract or service is a period not exceeding 36 months from date of awarding of the contract however, the municipality reserves the right to appoint for the whole of the 36 months.

6. PROJECT MANAGEMENT.

The District Municipality will assign an official as the Project Manager to ensure proper co-ordination and implementation as well as adherence to the terms and conditions of the contract.

7. PROJECT PLAN AND PROPOSED TIME

The tenderers must attach a project implementation plan with identified time frames/milestones

8. DOCUMENTATION.

All documentation and information relating to this tender that must be compiled or produced whether in hard or soft (video or digital) copies shall remain the property of Ehlanzeni District Municipality.

The prospective service provider must submit a monthly security incident report to Ehlanzeni District to the Project Manager or any delegated official or structure.

9. SERVICE CONDITION

The service provider must note that the guards must always be in neat and clean uniform.

10. EQUIPMENT

The bidder must be able to provide and demonstrate, but not limited to, all necessary equipment as follows:

- (a) Site register, occurrence book, fully operational radio (with adequate range), fully operational flashlight, wall clock and handheld scanners.

A list of the company equipment with pictures must be attached

Security Officers, tools of trade

- Pocket book, ID card (PSIRA ID card, pen, button sticks and holster, handcuffs and holster, whistle, firearm, firearm holster, driver licence scanner devices.
- Company owned vehicles with certified certificates must attached.

11. ADMINISTRATIVE INFRASTRUCTURE

The bidder should demonstrate:

- (a) the capacity to have the administrative and management infrastructure to manage, control and perform the service as required at the time of the contract commencement.
- (b) That it has its disposal a number of adequately skilled administrative staff members for the purpose of the tender and for purpose of administrative affairs with regard to PSIRA regulations.

An organogram of the company must be attached that will support the execution of the project

12. FUNCTIONALITY EVALUATION CRITERIA

The description of the quality criteria and the maximum number of tender evaluation points allocated to each is shown in the table below. The score for quality will be the sum of the scores for the individual criteria.

- (a) Only tenders that meet the mandatory requirements will be considered for evaluation on the functionality criteria.
- (b) The tenderers must score a minimum of 70 points on Functionality to qualify for Preferential Procurement Policy point scoring system evaluation.

Functionality Requirements or Criteria	Description	Points
The Company's experience, track record and knowledge in the field of security services	Tenderer is required to demonstrate relevant past experience and competency of the company in providing security services	30
	Service providers must attach a maximum of 5 certified copies of appointment letters for relevant projects that have been successfully completed during the past 5 years to claim a total of 20 points and maximum of 5 certified reference letters to claim a total of 10 points. <i>(4 points per certified appointment letter and 2 points per certified reference letter)</i>	
Technical Capacity / Expertise and track record of team leader to be assigned to the project in security operations	The team leader or supervisor demonstrates that they have the necessary experience in managing a team of security officers.	10
	The team leader should submit curriculum vitae (CV) to demonstrate the projects where this experience was obtained. The team leader or supervisor is required to have a grade A or B PSIRA certificate	
	Experience of Team Leader in security operations	
	5 and more years' experience	
	3 and less than 5 years' experience	
	2 and less than 3 years' experience	
	1 and less than 2 years' experience	
	Less than 1 year experience	

Functionality Requirements or Criteria	Description		Points
Expertise and experience of key personnel	The tenderer is expected to attach at least 5 curriculum vitae (CVs) for the proposed personnel with certified copies of their certificates from a recognized institution in line with the Private Security Industry Regulatory Authority and all other applicable legal requirements governing the security industry.		20
	Such certificates must meet the required grade and cannot be lower.		
	No points will be awarded if qualifications of personnel, their ID's and qualification certificates and firearm certificates are not certified		
	Number of security guards to be deployed and their experience	Points	
	11 - 15 Grade C security guards	20	
	6 - 10 Grade C security guards	15	
	1 - 5 Grade C security guards	10	
Firearms	The tenderer must attach proof of Company Firearm licenses		10
	Number of firearms	Points	
	7 - 8 firearms	10	
	5 - 6 firearms	8	
	4 - 6 firearms	6	
	2 - 3 firearms	4	
	1 firearm	2	
Office location and control room	The tenderer must attach proof of business address of the company's office. Attach utility bills / water / electricity and or lease agreement.		10
	The proof of business address should be under the company name or one of the directors of the company.		
	Note: The proof of address may be subjected to a physical verification of the office by the municipality.		
	Kilometres ranges	Points	
	0 – 30km to Main EDM Office	10	
	31 – 50km to Main EDM Office	8	
	51 – 100km to Main EDM Office	6	
	101 - 200km to Main EDM Office	4	
	201km and above to Main EDM Office	2	
Patrol motor vehicles	Proper fitted patrol vehicle with branding. <i>Attach proof of ownership documents (Certified eNatis documents or purchase agreements).</i>		10
	Number of motor vehicles	Points	
	2 motor vehicles	10	

Functionality Requirements or Criteria	Description		Points
	1 motor vehicles	5	
Financial Reference	Tenderer must attach a signed bank rating letter with an original bank stamp or a certified copy to claim full points (Not older than three months)		10
	Bank rating letter	Points	
	Bank Rating C and above	10	
	Below C Bank rating	0	
TOTAL FUNCTIONALITY POINTS			100

13. PRICING

Tenderers are obliged to submit offers for the three years of the tender contract period and the offer for year one (Year 1) shall be fixed. The offers for year 2 and year 3 are indicative or illustrative offers and shall be adjusted based on the applicable and gazetted Private Security Regulatory Authority Sectoral Determination, using the baseline fixed offer for year one (Year 1).

14. PRICING SCHEDULE

FIXED SERVICE FEES FOR YEAR 1, YEAR 2 AND YEAR 3

TABLE A

YEAR 1: MAIN OFFICES IN MBOMBELA - TABLE A1								
Area	Grade of Security Guards	Working hours	Shift	Armed / Unarmed	Numbers of guards	Monthly Service Charge Per Security Guard (VAT Excl)	Total Monthly Service Charge for all Security guards (VAT Excl)	Total Annual Fee for all security guards (VAT Excl)
Main Offices in Mbombela	Grade A / B (Supervisor)	12 - hour day shift Monday to Sunday (06:00 to 18:00)	Day	Armed	1			
Main Offices in Mbombela	Grade C	12 - hour day shift Monday to Sunday (06:00 to 18:00)	Day	Armed	2			
Main Offices in Mbombela	Grade C	13 - hour day shift Monday to Sunday (18:00 to 06:00)	Night	Unarmed	2			
Main Offices in Mbombela	Grade C	12 - hour day shift Monday to Sunday (06:00 to 18:00)	Day	Unarmed	1			
Main Offices in Mbombela	Grade C	12 - hour day shift Monday to Friday (06:00 to 18:00)	Day	Unarmed	3			
Main Offices in Mbombela	Grade C	12 - hour day shift Monday to Sunday (18:00 to 06:00)	Night	Armed	3			
SUB TOTAL SERVICE FEES: YEAR 1								
ADD 15% VAT								
TOTAL SERVICE FEES FOR YEAR 1								

YEAR 2: MAIN OFFICES IN MBOMBELA – TABLE A2 (INDICATIVE OR ILLUSTRATIVE OFFERS SUBJECT TO PRISA ANNUAL DETERMINATIONS)								
Area	Grade of Security Guards	Working hours	Shift	Armed / Unarmed	Numbers of guards	Monthly Service Charge Per Security Guard (VAT Excl)	Total Monthly Service Charge for all Security guards (VAT Excl)	Total Annual Fee for all security guards (VAT Excl)
Main Offices in Mbombela	Grade A / B (Supervisor)	12 - hour day shift Monday to Sunday (06:00 to 18:00)	Day	Armed	1			
Main Offices in Mbombela	Grade C	12 - hour day shift Monday to Sunday (06:00 to 18:00)	Day	Armed	2			
Main Offices in Mbombela	Grade C	13 - hour day shift Monday to Sunday (18:00 to 06:00)	Night	Unarmed	2			
Main Offices in Mbombela	Grade C	12 - hour day shift Monday to Sunday (06:00 to 18:00)	Day	Unarmed	1			
Main Offices in Mbombela	Grade C	12 - hour day shift Monday to Friday (06:00 to 18:00)	Day	Unarmed	3			
Main Offices in Mbombela	Grade C	12 - hour day shift Monday to Sunday (18:00 to 06:00)	Night	Armed	3			
SUB TOTAL SERVICE FEES: YEAR 2								
ADD 15% VAT								
TOTAL SERVICE FEES FOR YEAR 2								

YEAR 3: MAIN OFFICES IN MBOMBELA – TABLE A3 (INDICATIVE OR ILLUSTRATIVE OFFERS SUBJECT TO PRISA ANNUAL DETERMINATIONS)								
Area	Grade of Security Guards	Working hours	Shift	Armed / Unarmed	Numbers of guards	Monthly Service Charge Per Security Guard (VAT Excl)	Total Monthly Service Charge for all Security guards (VAT Excl)	Total Annual Fee for all security guards (VAT Excl)
Main Offices in Mbombela	Grade A / B (Supervisor)	12 - hour day shift Monday to Sunday (06:00 to 18:00)	Day	Armed	1			
Main Offices in Mbombela	Grade C	12 - hour day shift Monday to Sunday (06:00 to 18:00)	Day	Armed	2			
Main Offices in Mbombela	Grade C	13 - hour day shift Monday to Sunday (18:00 to 06:00)	Night	Unarmed	2			
Main Offices in Mbombela	Grade C	12 - hour day shift Monday to Sunday (06:00 to 18:00)	Day	Unarmed	1			
Main Offices in Mbombela	Grade C	12 - hour day shift Monday to Friday (06:00 to 18:00)	Day	Unarmed	3			
Main Offices in Mbombela	Grade C	12 - hour day shift Monday to Sunday (18:00 to 06:00)	Night	Armed	3			
SUB TOTAL SERVICE FEES: YEAR 3								
ADD 15% VAT								
TOTAL SERVICE FEES FOR YEAR 3								

AD HOC FEES FOR ADDITIONAL EQUIPMENT**TABLE B****YEAR 1: EQUIPMENTS – TABLE B1**

No	Description	Unit	Quantity	Price Per Unit	Total Monthly Fee	Total Annual Fee
1	Company vehicle (Patrol car)	No	1			
2	Batons and holsters	No	6			
3	Handcuffs and holsters	No	6			
4	Clock points	No	10			
5	Firearms and holster	No	6			
6	Portable two way radios	No	2			
7	Vehicle Licence Disk / Driver's Licence scanners	No	1			
8	Handheld Metal Detectors	No	2			
9	Panic Button	No	2			
EQUIPMENT COST PER ANNUM: YEAR 1						
VAT AT 15%						
SUB TOTAL FOR YEAR 1						

YEAR 2: EQUIPMENTS – TABLE B2 (INDICATIVE OR ILLUSTRATIVE OFFERS SUBJECT TO PRISA ANNUAL DETERMINATIONS)						
No	Description	Unit	Quantity	Price Per Unit	Total Monthly Fee	Total Annual Fee
1	Company vehicle (Patrol car)	No	1			
2	Batons and holsters	No	6			
3	Handcuffs and holsters	No	6			
4	Clock points	No	10			
5	Firearms and holster	No	6			
6	Portable two way radios	No	2			
7	Vehicle Licence Disk / Driver's Licence scanners	No	1			
8	Handheld Metal Detectors	No	2			
9	Panic Button	No	2			
EQUIPMENT COST PER ANNUM: YEAR 2						
VAT AT 15%						
SUB TOTAL FOR YEAR 2						

YEAR 3: EQUIPMENTS – TABLE B3 (INDICATIVE OR ILLUSTRATIVE OFFERS SUBJECT TO PRISA ANNUAL DETERMINATIONS)						
No	Description	Unit	Quantity	Price Per Unit	Total Monthly Fee	Total Annual Fee
1	Company vehicle (Patrol car)	No	1			
2	Batons and holsters	No	6			
3	Handcuffs and holsters	No	6			
4	Clock points	No	10			
5	Firearms and holster	No	6			
6	Portable two way radios	No	2			
7	Vehicle Licence Disk / Driver's Licence scanners	No	1			
8	Handheld Metal Detectors	No	2			
9	Panic Button	No	2			
EQUIPMENT COST PER ANNUM: YEAR 3						
VAT AT 15%						
SUB TOTAL FOR YEAR 3						

TABLE C: SUMMARY OF MONTHLY AND ANNUAL OFFERS			
No	Description	MONTHLY CHARGES	TOTAL ANNUAL CHARGES
YEAR 1	Table A1: Guards: Main Offices in Mbombela	R	R
YEAR 2	Table B1: Equipments	R	R
YEAR 2	Table A2: Guards: Main Offices in Mbombela	R	R
YEAR 2	Table B2: Equipments	R	R
YEAR 3	Table A3: Guards: Main Offices in Mbombela	R	R
YEAR 3	Table B3: Equipments	R	R
SUB-TOTAL FOR YEAR 1 + YEAR 2 +YEAR 3		R	R
PLUS: VAT @ 15%		R	R
TOTAL TENDER OFFER FOR YEAR 1, YEAR 2 AND YEAR 3		R	R

NB: THE TOTAL ANNUAL CHARGE OR OFFER MUST BE CARRIED TO THE TOTAL BID PRICE ON MBD 1 AND FAILURE TO ADHERE TO THIS REQUIREMENT WILL RENDER THE BID TO BE NON-RESPONSIVE.

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state¹.
2. Any person, having a kinship with persons in the service of the state, including a bloodrelationship, 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, shareholder²):.....

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.....

.....

¹MSCM Regulations: "in the service of the state" means to be –

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

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

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

3.9.1 If yes, furnish particulars.....

.....

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

3.10.1 If yes, furnish particulars.

.....
.....

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

3.11.1 If yes, furnish particulars

.....
.....

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

3.12.1 If yes, furnish particulars.

.....
.....

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

3.13.1 If yes, furnish particulars.

.....
.....

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

3.14.1 If yes, furnish particulars:

.....
.....

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

Full Name	Identity Number	State Employee Number

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

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 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 The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Preference Points	100

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

2. DEFINITIONS

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

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

Where

Ps = Points scored for price of tender under consideration
Pt = Price of tender under consideration
Pmin = Price of lowest acceptable tender

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

3.2.1. POINTS AWARDED FOR PRICE

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

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

Where

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

4. POINTS AWARDED FOR SPECIFIC GOALS

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

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
100% black person or people owned enterprise	N/A	2,0	N/A	
More than 30% woman or women shareholding or owned enterprise	N/A	2,0	N/A	
more than 30% youth shareholding or owned enterprise	N/A	2,0	N/A	
More than 30% people living with disability shareholding or owned enterprise	N/A	2,0	N/A	
Enterprises regarded as *EMEs located within the Ehlanzeni District Municipality area of jurisdiction	N/A	2,0	N/A	
Sub-contract minimum of 30% of the contract value to EMEs	N/A	2,0		
Corporate Social Investment (CSI) or Social Labour Plan proposition	N/A	5,0	N/A	
B-BBEE level 1 contribution	N/A	3,0	N/A	

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) he information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution, if deemed necessary.

.....
SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME:

DATE:

ADDRESS:
.....
.....
.....

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	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? (Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the <i>audi alteram partem</i> rule was applied).	<input checked="checked" type="checkbox"/> Yes <input type="checkbox"/>	<input checked="checked" type="checkbox"/> No <input type="checkbox"/>
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)? (To access this Register enter the National Treasury's website, www.treasury.gov.za, 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).	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:		
Item	Question	Yes	No

4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes	No
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <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 bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a) take all reasonable steps to prevent such abuse;
 - b) reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - c) cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of _____ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

AUTHORITY TO SIGN A TENDER

1. COMPANIES AND CLOSE CORPORATIONS

- a. If a Bidder is a **COMPANY**, 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
- b. 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**.

PARTICULARS OF RESOLUTION BY BOARD OF DIRECTORS OF THE COMPANY / MEMBERS OF THE CC

Date Resolution was taken			
Resolution signed by (name and surname)			
Capacity			
Name and surname of delegated Authorized Signatory			
Capacity			
Specimen Signature			
Full name and surname of ALL Director(s) / Member (s)			
Is a CERTIFIED COPY of the resolution attached?	YES		NO
SIGNED ON BEHALF OF COMPANY / CC:		DATE:	
PRINT NAME:			
WITNESS 1:		WITNESS 2:	

2. SOLE PROPRIETOR (SINGLE OWNER BUSINESS)

I, _____, the undersigned,
hereby confirm

that I am the sole owner of the business trading as _____

3. 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:	

CERTIFICATE OF AUTHORITY FOR JOINT VENTURES
--

**This returnable schedule is to be completed by
JOINT VENTURES**

We, the undersigned, are submitting this tender 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 tender offer and any contract resulting from it on our behalf.

1. Name of firm (Lead partner)			
Address			
		Tel. No.	
Signature		Designation	

2. Name of firm			
Address			
		Tel. No.	
Signature		Designation	

3. Name of firm			
Address:			
		Tel. No.	
Signature		Designation	

4. Name of firm			
Address			
		Tel. No.	
Signature		Designation	

NOTE: A copy of the Joint Venture Agreement showing clearly the percentage contribution of each partner to the Joint Venture, shall be appended to

TAX CLEARANCE REQUIREMENTS

IT IS A CONDITION OF BIDDING THAT -

1. The taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with the Receiver of Revenue to meet his / her tax obligations.
2. The attached form "Application for Tax Clearance Certificate (in respect of bidders)", must be completed in all respects and submitted to the Receiver of Revenue where the bidder is registered for tax purposes. The Receiver of Revenue will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of twelve (12) months from date of issue. This Tax Clearance Certificate must be submitted in the original together with the bid. Failure to submit the original and valid Tax Clearance Certificate may invalidate the bid.
3. In bids where Consortia / Joint Ventures / Sub-contractors are involved each party must submit a separate Tax Clearance Certificate. Copies of the Application for Tax Clearance Certificates are available at any Receiver's Office.

**APPLICATION FOR TAX CLEARANCE CERTIFICATE
(IN RESPECT OF BIDDERS)**

1. Name of taxpayer / bidder:

2. Trade name:

3. Identification number:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

4. Company / Close Corporation registration number:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

5. Income tax reference number:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

6. VAT registration number (if applicable):

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

7. PAYE employer's registration number (if applicable):

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Signature of contact person requiring Tax Clearance Certificate:.....

Name:

Telephone number: Code:..... Number:.....

Address:

.....

.....

DATE: 2025 / ____ / ____

PLEASE NOTE THAT THE COMMISSIONER FOR THE SOUTH AFRICAN REVENUE SERVICE (SARS) WILL NOT EXERCISE HIS DISCRETIONARY POWERS IN FAVOUR OF ANY PERSON WITH REGARD TO ANY INTEREST, PENALTIES AND / OR ADDITIONAL TAX LEVIABLE DUE TO THE LATE- OR UNDERPAYMENT OF TAXES, DUTIES OR LEVIES OR THE RENDITION RETURNS BY ANY PERSON AS A RESULT OF ANY SYSTEM NOT BEING YEAR 2000 COMPLIANT.

ANNEXURE B

GENERAL CONDITIONS OF CONTRACT

NOTES

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
- (ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.

The General Conditions of Contract will form part of all bid documents and may not be amended.

Special Conditions of Contract (SCC) relevant to a specific bid should be compiled separately for every bid (if applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

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General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:

1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.

1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

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

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

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

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

1.7 "Day" means calendar day.

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

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

1.10 "Delivery into consignee's 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 markets its goods on its own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.

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

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

1.14 "GCC" means the General Conditions of Contract.

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

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

1.17 “Local content” means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.

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

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

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

1.21 “Purchaser” means the organization purchasing the goods.

1.22 “Republic” means the Republic of South Africa.

1.23 “SCC” means the Special Conditions of Contract.

1.24 “Services” means that 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 “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 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

4.1 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 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.

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 one of the following forms:

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

(b) a cashier's or certified cheque.

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

5. Inspections, tests and analyses

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

8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.

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

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

8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the 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 supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal, the rejected supplies shall be returned at the supplier's cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies 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 23 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, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

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

10.2 Documents to be submitted by the supplier are specified in SCC.

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 in the SCC.

12. Transportation

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

13. Incidental Services

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

- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;

- (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period 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 in SCC, 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:

14.2 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

14.3 in the event of termination of production of the spare parts:

14.4 Advance notification to the purchaser of the pending termination, insufficient time to permit the purchaser to procure needed requirements; and

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

15. Warranty

.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 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 in SCC, 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 in SCC.

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

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

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

17. Prices

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

18. Contract amendments

18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

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 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 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.

21.4 The right is reserved to procure outside of the contract small quantities or to have 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.

21.5 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 21.2 without the application of penalties.

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the 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 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.

24. Anti-dumping and countervailing duties and rights

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

25. Force Majeure

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

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

26. Termination for insolvency

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

27. Settlement of Disputes

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

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

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

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

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

- (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.

28. Limitation of liability

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

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

29. Governing language

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

30. Applicable law

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

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 Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.