

# MORETELE LOCAL MUNICIPALITY



## INVITATION TO TENDER

**BID NO: MLM/MFMS/2024-29**

**TENDER DESCRIPTION: APPOINTMENT OF A SERVICE PROVIDER FOR THE LICENCE MAINTENANCE, UPGRADE AND SUPPORT OF AN INTEGRATED MUNICIPAL FINANCIAL MANAGEMENT SYSTEM (ERP) FOR A FIVE (5) YEAR PERIOD.**

**NAME OF BIDDER:** \_\_\_\_\_

\_\_\_\_\_

**TOTAL BID PRICE (Incl. VAT)**

**R** \_\_\_\_\_

**BID DOCUMENT FEE Receipt No:** \_\_\_\_\_ (Attach documentary proof)  
**FOREWORD**

**TENDER DESCRIPTION: APPOINTMENT OF A SERVICE PROVIDER FOR THE LICENCE MAINTENANCE, UPGRADE AND SUPPORT OF AN INTEGRATED MUNICIPAL FINANCIAL MANAGEMENT SYSTEM (ERP) FOR A FIVE (5) YEAR PERIOD.**

**MLM/MFMS/2024-29**

This document consists of three volumes clustered to form a bid and contract namely:

### **1. BIDDING PROCEDURES**

This volume contains the bid notice and invitation describing the nature of training works required as well as the bid date outlining the conditions of bid to be complied with by every bidder submitting a bid.

### **2. RETURNABLE DOCUMENTS**

This volume contains the returnable schedules and forms to be completed by each bidder for the purpose of evaluating Bids and which will subsequently form part of a contract between successful Bidder and the Employer.

### **3. THE CONTRACT**

This volume consists of nine (9) parts, namely:

- (a) Scope of Work (Project Specifications)**
- (b) Pricing schedule**
- (c) Evaluation criteria**
- (d) Authority to signature**
- (e) General conditions of contract**
- (f) Declaration of interest – MBD4**
- (g) Declaration of the bidder's past supply chain management practices – MBD8 and MBD9**
- (h) Form of Offer and Acceptance**

**IMPORTANT NOTE**

***Each Bidder must complete the BID SUMMARY PAGE for BID opening purposes following hereafter.***

**1. BID SUMMARY PAGE: DETAILS OF BIDDER**

<b>Name of firm/entity/enterprise</b>	
<b>Trading as (if different from above)</b>	
<b>Postal Address</b>	
<b>Physical Address</b>	
<b>Contact details of the Bidder proposed Project Manager who will represent the Bidder in the implementation processes</b>	Name & Surname: _____ Telephone: (        ) _____ Fax: (        ) _____ Cell phone: _____ E-mail Address: _____
<b>Company Income Tax number</b>	
<b>VAT Registration number</b>	
<b>Company Registration number</b>	
<b>Provide any other Professional Registration applicable to this industry</b>	
<b>Bidder's Banking details</b>	Name of Bank: _____ Branch name: _____ Branch code: _____ Account No: _____

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**MLM/MFMS/2024-29**

# VOLUME 1

## (Bidding Procedures)

### 1. BIDDING PROCEDURES

#### 1.1 BID NOTICE AND INVITATION

**BID No. MLM/MFMS/2024-29**

Bids are hereby invited for the appointment of a service provider for the license maintenance, upgrade and support of an integrated municipal financial management system (ERP) for a five (5) year period.

Bid documents with detailed bid specifications and detailed information are obtainable at **Moretele local Municipality's website ([www.moretele.gov.za](http://www.moretele.gov.za)) OR e-tenders ([www.etenders.gov.za](http://www.etenders.gov.za)), from the 26 February 2024**

A non-refundable deposit of **R1000-00 (One Thousand rands only)** payable is required on collection of the bid documents.

Sealed Bids clearly marked **"BID No. MLM/MFMS/2024-2029 APPOINTMENT OF A SERVICE PROVIDER FOR THE LICENCE MAINTENANCE, UPGRADE AND SUPPORT OF AN INTEGRATED MUNICIPAL FINANCIAL MANAGEMENT SYSTEM (ERP) FOR 60 MONTHS.**

**" Must be placed in the Bid box situated at the Finance Department at the offices of the MORETELE LOCAL MUNICIPALITY, 4065 B MATHIBESTAD, on or before 28 March 2024 at 12H00 at**

**which time the Bids will be opened in public. If the bid is late, it will not be accepted for consideration. Bids that are not fully completed and initialled in each page will be disqualified. Please note that dismantling of Bid document will result in automatic disqualification of a Bidder.**

Moretele Local Municipality does not bind itself to accept the lowest or any bid and the Municipality reserves the right to accept the whole or part of any bid and further reserves the right to re-advertise if it so wishes to.

Bids will be evaluated according to 80/20 Preferential Procurement Policy Framework Act. Bids will be adjudicated according to Moretele Local Municipality's Supply Chain Management Policy, the Preferential Procurement Policy Framework Act, (Act No. 5 of 2000) and the Preferential Procurement Regulations 2011, as well as the broad Based Black Economic Empowerment Act (Act 53 of 2003). Shortlisted Bidders will be required to make presentation to the Bid committee before final appointment is made. Site inspection will be conducted by the Municipality to validate the capability of the proposed site.

Supply chain Enquiries may be directed to **Mrs. Modiegi Phenya at (012)716 1414, Technical Enquiries** may be directed to **Mr. J Mophuting/ Mr. J.T Masia at (012)716 1336.**

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**MLM/MFMS/2024-29**

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**Municipal Manager: Mr. S. Ngwenya**  
**Moretele Local Municipality**

**TENDER DESCRIPTION: APPOINTMENT OF A SERVICE PROVIDER FOR THE LICENCE MAINTENANCE, UPGRADE AND SUPPORT OF AN INTEGRATED MUNICIPAL FINANCIAL MANAGEMENT SYSTEM (ERP) FOR A FIVE (5) YEAR PERIOD.**

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**MLM/MFMS/2024-29**

# **VOLUME 2**

## **(RETURNABLE DOCUMENTS)**

### **RETURNABLE SCHEDULES, FORMS, CERTIFICATES AND DOCUMENTS REQUIRED FOR BID EVALUATION PURPOSES**

1. Company profile
2. Certified Identity Document of Director(s)
3. Key personnel Curriculum Vitae and certified copies of qualification attached.
4. Certified Company registration document.
5. Copy of a valid signed Joint Venture/Consortium agreement (if applicable) to the bid document.
6. Original or Certified B-BBEE Status Level Validation Certificate (in the case of a joint venture, a consolidated certificate must be submitted) or a sworn affidavit.
7. Municipal rates & taxes or commissioned leased agreement with statement of account not older than three months of director(s) and company.
8. Attach authority of signatory
9. Detailed Central Supply Database (CSD) not older than a month
10. Proof of Bidders banker

**TENDER DESCRIPTION: APPOINTMENT OF A SERVICE PROVIDER FOR THE LICENCE MAINTENANCE, UPGRADE AND SUPPORT OF AN INTEGRATED MUNICIPAL FINANCIAL MANAGEMENT SYSTEM (ERP) FOR A FIVE (5) YEAR PERIOD.**

**MLM/MFMS/2024-29**

# VOLUME 3

## (THE CONTRACT)

TENDER NOTICE AND INVITATION TO BID			
NOTICE NO:	MLM-MFMS/2024-29	DEPARTMENT	FINANCE AND ADMIN SERVICES
ADVERTISED IN	MUNICIPAL NOTICE BOARD, MUNICIPAL WEBSITE, e-Tender Portal		
BID NO:	MLM/MFMS/2024-29	PUBLISHED DATE:	26 February 2024
Bids are hereby invited for (Tender Description)	APPOINTMENT OF A SERVICE PROVIDER FOR THE LICENCE MAINTENANCE, UPGRADE AND SUPPORT OF AN INTEGRATED MUNICIPAL FINANCIAL MANAGEMENT SYSTEM (ERP) FOR A FIVE (5) YEAR PERIOD.		
Closing Time and Date	28 March 2024 @ 12H00	Venue	Municipal Hall
Bids will be opened immediately thereafter, in public at Municipality Hall, stand no 4065 B Mogodi Section Mathibestad 0418.			
Date Available	26 February 2024	Non-refundable Documentation Fee:	R1000.00
BID RULES			
<p>a. Bids are to be completed in accordance with the conditions and bid rules contained in the bid document and supporting documents must be placed in a sealed envelope and externally endorsed WITH THE BID NUMBER, DESCRIPTION AND <b>CLOSING DATE OF THE BID</b>, and be deposited in the Bid Box, at the Supply Chain Management Unit, Moretele Local Municipality <b>4065B Mogodi Section Mathibestad 0418</b>. No late, faxed or emailed tenders will be accepted.</p> <p>b. Bids may only be submitted on the bid documentation issued by the Municipality.</p> <p>c. The Moretele Local Municipality does not bind itself to accept the lowest or any tender and reserves the right to accept any tender, as it may deem expedient.</p> <p>d. Tenderers who are not yet registered are required to register on the Municipality's Accredited Supplier Database (CSD). Online registration to be completed on the CSD registration platform, website <a href="https://secure.csd.gov.za">https://secure.csd.gov.za</a>.</p> <p>e. The Municipality reserves the right to withdraw any invitation to tender and/or to re-advertise or to reject any tender or to accept a part of it. The Municipality is not bound to accept the highest or any tender.</p>			
Tenders shall be evaluated in terms of the Moretele Local Municipality Supply Chain Management Policy and the Preferential Procurement Regulations, 2017		Bidders may claim preference points in terms of their specific goals.	
Preferential Procurement Point System Applicable		80/20	Local Content Requirement
Site Meeting/Information Session		None	Validity Period
TECHNICAL ENQUIRIES MAY BE DIRECTED TO Mr. R.J Mophuting <a href="mailto:Tshegofatso.masia@moretele.gov.za">Tshegofatso.masia@moretele.gov.za</a> <a href="mailto:Joseph.mophuting@moretele.gov.za">Joseph.mophuting@moretele.gov.za</a>		BIDDING PROCEDURE REQUIREMENTS MAY BE DIRECTED TO: Ms. M Phenya: <a href="mailto:Modiegi.phenya@moretele.gov.za">Modiegi.phenya@moretele.gov.za</a> Ms. L Mashao: <a href="mailto:lebogang.mashao@moretele.gov.za">lebogang.mashao@moretele.gov.za</a>	
Section	FINANCIAL ADMINISTRATION	Section	SUPPLY CHAIN MANAGEMENT
Contact Person	Mr. J.T Masia	Contact Person	Ms. Modiegi Phenya
Tel:	E-mail Enquiries Only	Tel:	E-mail Enquiries Only
E-mail	<a href="mailto:tshegofatso.masia@moretele.gov.za">tshegofatso.masia@moretele.gov.za</a>	E-mail	<a href="mailto:Modiegi.phenya@moretele.gov.za">Modiegi.phenya@moretele.gov.za</a>

**TENDER DESCRIPTION: APPOINTMENT OF A SERVICE PROVIDER FOR THE LICENCE MAINTENANCE, UPGRADE AND SUPPORT OF AN INTEGRATED MUNICIPAL FINANCIAL MANAGEMENT SYSTEM (ERP) FOR A FIVE (5) YEAR PERIOD.**

**MLM/MFMS/2024-29**

<b>GENERAL INFORMATION</b>
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- Completion of this application does not mean that the Municipality has accepted your business entity as a vendor / provider of goods and / or services.
- The original Tender document must be completed fully in black ink and signed by the authorized signatory to validate the Tender. Tender documents may not be retyped or altered in any way.
- Qualifying as a vendor / provider of goods and / or services does not necessarily mean that the Municipality will invite your business entity to quote or bid every time the Municipality puts out tenders or requests for quotations.
- The Municipality will use the information that you fill in on this form to pre-qualify and accredit your business entity in terms of the criteria stipulated in the application form. This will apply for both existing and new vendors / provider of goods and / or services.
- The Municipality will treat all the information that you supply as strictly confidential.
- The Municipality reserves the right to request additional information and / or documents regarding your answers and / or documents in this application.
- The Municipality reserves the right to perform an audit to confirm or verify any of the answers and / or documents that you supply.
- Please make sure that the application is duly signed, where required, before you return it to the Municipality.
- Please make sure all required documents are included in the application before you return it to the Municipality.
- Please respond to all questions in the application as incomplete forms will not be processed.
- Only original documentation, unless copies are requested as indicated, will be accepted.
- Please make a copy for your own records (we do not supply copies of the completed document).

Should you experience any problems in completing this application, please contact the Supply Chain Unit -Modiegi.phenya@moretele.gov.za] 012 716 1414, [scm@moretele.gov.za] 012 716 1408.

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**MLM/MFMS/2024-29**



	<b>ANNEXURES &amp; TITLE</b>	<b>FORM NO.</b>
1.1	General Contract Conditions	
1.2	Specifications	
1.3	Invitation to Bid	MBD 1
1.5	Pricing schedule – Firm prices (Purchases)	MBD 3.1
1.6	Declaration of Interests	MBD 4
1.7	Purchases	MBD 6.1
1.8	Local Content	MBD 6.2
1.9	Contract form – Purchase of goods/works	MBD 7.1
1.10	Declaration of Bidders past Supply Chain Management Practices	MBD 8
1.11	Certificate of independent proposal determination	MBD 9

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**MLM/MFMS/2024-29**

## SPECIFICATIONS

### 1.1. SPECIFICATIONS OF THE ERP SYSTEM

#### 1.1.1. Annual Licencing Maintenance

- Annual licencing fees includes the fees to renew current license fees of existing software and operating systems. Bidders should bid on licence fees for the following – the municipality may or may not use the service:
- Windows Server 2016/22 Enterprise Edition
- Microsoft SQL Server 2017/22 Enterprise
- Optional replication of server to cloud

#### 1.1.2. Training and Support

- 1.1.2.1. The service provider should be in position to sign a Service Level Agreement with the municipality to render support as and when required and perhaps at fixed monthly intervals to ensure system and GRAP accounting is executed in an appropriate manner. The pricing should include 480 hours per annum (40 hours per month) for training and support.
- 1.1.2.2. The service provider should do a migration from Windows Server 2008 and Microsoft SQL Server 2008 to Windows Server 2019/22 and Microsoft SQL Server 2019

#### 1.1.3. Annual maintenance fees

- 1.1.3.1. The annual maintenance fees include:
- 1.1.3.2. Software maintenance fees payable in monthly instalments.
- 1.1.3.3. Annual mSCOA chart changes, user groups and customization.

#### 1.1.4. Module required.

- 1.1.4.1. Consumer/Trade receivable module
- 1.1.4.2. Assets management modules
- 1.1.4.3. Supply chain management modules
- 1.1.4.4. Inventory module
- 1.1.4.5. Investment module
- 1.1.4.6. Trade payable module
- 1.1.4.7. Report extraction of information on the system.
- 1.1.4.8. mSCOA budget module

#### Requirements:

The preferred bidder must:

Description	Proof
Be an accredited support agent for mSCOA integrated financial system or authorized software reseller	Written proof

## FUNCTIONALITY SCORING

1. Tenders will be subjected to functionality scoring, based on specific quality criteria.
2. Only tenderers who attain a minimum score of 70 out of 100 points (75%) will be considered for further evaluation.
3. Tenders that score less than 50% in more than three categories will be rejected as they will be non-responsive.
4. Tenderers must complete and submit sufficient and all relevant information for each of the Categories they are tendering for.
5. The description of the functionality criteria and the maximum possible score for each is shown

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in the table below. The score achieved for functionality will be the sum of the scores achieved for the individual criteria.

CRITERIA	MAX SUB-SCORE	MAX PER SECTION
<b>EXPERIENCE IN LOCAL GOVERNMENT FINANCIAL SYSTEMS (Appointment letters and reference letter)</b>		<b>35</b>
More than 10 years	<b>35</b>	
From 5 years to 9 years	<b>25</b>	
Less than 5 years	<b>10</b>	
<b>APPOINTMENT LETTERS AND REFERENCE LETTERS FOR mSCOA ACCREDITED INTEGRATED FINANCIAL SYSTEM.</b>		<b>65</b>
More than 10	<b>65</b>	
More than 5	<b>40</b>	
Less than 5	<b>25</b>	
<b>TOTAL POINTS FOR FUNCTIONALITY</b>		<b>100</b>

#### SPECIFIC GOALS FOR 80/20

Regulation 3 of PPR 2022 state: An organ of state must, in the tender documents, stipulate—

- (a) the applicable preference point system as envisaged in regulations 4, 5, 6 or 7.
- (b) the specific goal in the invitation to submit the award for which a point may be awarded, and the number of points that will be awarded to each goal, and proof of the claim for such goal.

**The specific goals based on the IDP for Moretele local municipality are as per following:**

- a. The points granted as per the specific goals should not exceed 20 points for each Bidders.
- b. The bidder should submit the attached verification document to be granted points.

Specific goals	points	Verification criteria
Black ownership	5 points	<b>Submission of BBEEE/ sworn affidavit.</b>  <b>Level 1 – 4 points</b> <b>Level 2 – 2 Points</b> <b>Level 3 – 8 – 1 point</b>
Women	5 points	Certified ID copy and CK
Youth	5 points	Certified copy (under 35 years)
Locality	5 Points	Proof of Municipal account
<b>Total of 20 points</b>	<b>20 points</b>	

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### 1.1 Bidder's declaration

I, \_\_\_\_\_ (bidder's name) representative of \_\_\_\_\_ (company name) hereby confirm reading and understanding above mentioned requirements of this tender and is in full agreement with these terms and conditions.

**Signature:** \_\_\_\_\_

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

### RIGHTS OF THE MUNICIPALITY

The Municipality reserves the right to accept any quote or part thereof and may adjust the extent of the job.

The approved bidder must sign an indemnity form to accept the responsibility for any damages, loss of life, injuries or loss caused by his/their action to any municipal property, equipment or accessories. All insurances to cover the above mentioned, are for the contractors account. Successful contractors will indemnify the municipality against any claim that may arise from their operations.

**Disclaimer:** I hereby exempt Moretele Municipality against any claim(s) for damages that may arise in the execution of this formal quotation/tender/quotations in accordance with the Occupational Health and Safety (OHS) Act and its associated regulations.

**Signed:** .....

**Date:** .....

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**MLM/MFMS/2024-29**

## PART A INVITATION TO BID

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF MUNICIPALITY/ MUNICIPAL ENTITY)</b>					
BID NUMBER:	MLM/MFMS/2024-29	CLOSING DATE:	28 March 2024	CLOSING TIME:	12H00
DESCRIPTION	<b>APPOINTMENT OF A SERVICE PROVIDER FOR THE LICENCE MAINTENANCE, UPGRADE AND SUPPORT OF AN INTEGRATED MUNICIPAL FINANCIAL MANAGEMENT SYSTEM (ERP) FOR A FIVE (5) YEAR PERIOD.</b>				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
4065B MUNICIPAL OFFICES MATHIBESTAD 0418					
<b>SUPPLIER INFORMATION</b>					
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	
<b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b>					
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	R	
SIGNATURE OF BIDDER	.....		DATE		
CAPACITY UNDER WHICH THIS BID IS SIGNED					
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>			<b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>		
DEPARTMENT	FINANCIAL SERVICES		CONTACT PERSON	Tshegofatso Masia	
CONTACT PERSON	Mr. R.J Mophuting		TELEPHONE NUMBER	012 716 1336	
TELEPHONE NUMBER	012 716 1315		FACSIMILE NUMBER	012 716 1315	
FACSIMILE NUMBER	012 716 1308		E-MAIL ADDRESS	<a href="mailto:tshegofatso.masia@moretele.gov.za">tshegofatso.masia@moretele.gov.za</a>	
E-MAIL ADDRESS	<a href="mailto:joseph.mophuting@moretele.gov.za">joseph.mophuting@moretele.gov.za</a>				

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**MLM/MFMS/2024-29**

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

**NB: NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE**  
**(see definition on MM - MBD 4 attached)**

**PART B**  
**TERMS AND CONDITIONS FOR BIDDING**

<b>1. BID SUBMISSION:</b>	
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.	
1.2. <b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED- (NOT TO BE RE-TYPED) OR ONLINE</b>	
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.	
<b>2. TAX COMPLIANCE REQUIREMENTS</b>	
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.	
2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.	
2.3 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.	
2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.	
2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.	
2.6 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.	
<b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>	
3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <input type="checkbox"/> NO	<input type="checkbox"/> YES
3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA? <input type="checkbox"/> NO	<input type="checkbox"/> YES
3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <input type="checkbox"/> NO	<input type="checkbox"/> YES
3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? <input type="checkbox"/> NO	<input type="checkbox"/> YES
3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? <input type="checkbox"/> NO	<input type="checkbox"/> YES
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.	

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

**SIGNATURE OF BIDDER:** .....

**CAPACITY UNDER WHICH THIS BID IS SIGNED:** .....

**DATE:** .....

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**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: **MLM/MFMS/2024-29**Closing Time: **12:00**Closing Date: **28 March 2024**

## PRICING SCHEDULE FOR 5 YEARS

Moretele Local Municipality Pricing					
Items	Year 2024-25	Year 2025-26	Year 2026-27	Year 2027-28	Year 2028-29
Software Maintenance Fees					
Software Services Fees					
Onsite Support					
Asset Management					
Supply Chain Management					
Citizen App					
Training Development and Change Management					
<b>Total</b>					

## AD HOC - SERVICES

Item	Description	UOM	Level of Expertise	Rate
1	Business Process Development & Implementation Services			
A	- Policy Review	Hourly	Advanced	
B	- Business Process Analysis	Hourly	Advanced	
C	- Records Design	Hourly	Advanced	
D	- Workflow Design	Hourly	Advanced	
E	- Microsoft SQL Server Reporting Services	Hourly	Advanced	
F	- Microsoft SQL Server Integration Services	Hourly	Advanced	
G	- SYSTEM Development Services	Hourly	Advanced	
H	- SYSTEM Modelling	Hourly	Advanced	
I	- Implementation Support Services	Hourly	Intermediate	
2	Professional Services – MSCOA Support Services	Hourly	Advanced	
3	Professional Services – Mobile Application Development	Hourly	Advanced	

## PRICING

- a. The pricing must be fixed.
- b. All cost must be included in the request for proposal, for the service delivery at the prescribed destination.
- c. The total bid price must be inclusive of VAT or exclusive for non- VAT vendors.
- d. Please Note: Moretele Local Municipality reserve the right to downward adjust the scope of work/ quantity required to stay within its budget. Don't add VAT if you are not VAT registered with SARS.
- e. The Municipality reserves the right to withdraw any invitation to tender and/or to re-advertise or to reject any tender or to accept a part of it. The Municipality is not bound to accept the highest or any tender.

---

**AUTHORISED SIGNATURE**



# 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 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**

1. NB: NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE  
(see definition on MM - MBD 4)

## PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

**NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.**

### 2. GENERAL CONDITIONS

2.1 The following preference point systems are applicable to all bids:

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

2.2

- a) The value of this bid is estimated to **exceed/not exceed** R50 000 000 (all applicable taxes included) and therefore the ..... preference point system shall be applicable; or
- b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (*delete whichever is not applicable for this tender*).

2.3 Points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contributor.
- (c) Locality

2.4 The maximum points for this bid are allocated as follows:

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	5
LOCALITY	5
YOUTH	5
WOMEN	5
<b>Total points for Price and B-BBEE must not exceed</b>	<b>100</b>

2.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

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

### 3. DEFINITIONS

- (a) **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **"B-BBEE status level of contributor"** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **"bid"** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **"Broad-Based Black Economic Empowerment Act"** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **"EME"** means an Exempted Micro Enterprise in terms of a code of good practice on black

economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;

- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
  - 1) B-BBEE Status level certificate issued by an authorized body or person;
  - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
  - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

#### 4. POINTS AWARDED FOR PRICE

##### 4.1 THE 80/20 PREFERENCE POINT SYSTEMS

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

**80/20**

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

Where

- P<sub>s</sub> = Points scored for price of bid under consideration
- P<sub>t</sub> = Price of bid under consideration
- P<sub>min</sub> = Price of lowest acceptable bid

#### 5. POINTS AWARDED FOR SPECIFIC GOALS

##### SPECIFIC GOALS FOR 80/20

Regulation 3 of PPR 2022 state: An organ of state must, in the tender documents, stipulate—

- (a) the applicable preference point system as envisaged in regulations 4, 5, 6 or 7.
- (b) the specific goal in the invitation to submit the award for which a point may be awarded, and the number of points that will be awarded to each goal, and proof of the claim for such goal.

**The specific goals based on the IDP for Moretele local municipality are as per following:**

- 5.1. The points granted as per the specific goals should not exceed 10 points for each Bidders.
- 5.2. The bidder should submit the attached verification document to be granted points.

Specific goals	points	Verification criteria
Black ownership	5 points	Submission of BBEEE/ sworn affidavit.

		<b>Level 1 – 4 points</b> <b>Level 2 – 2 Points</b> <b>Level 3 – 8 – 1 points</b>
Women	5 points	Certified ID copy and CK
Youth	5 points	Certified copy (under 35 years)
Locality	5 Points	Proof of Municipal account should tally to CSD.
<b>Total</b>	<b>20 points</b>	

## 6. BID DECLARATION

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

## 7. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

7.1 B-BBEE Status Level of Contributor: . = .....(maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

## 8. SUB-CONTRACTING

8.1 Will any portion of the contract be sub-contracted?

(Tick applicable box)

YES		NO	
-----	--	----	--

8.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted.....%
- ii) The name of the sub-contractor.....
- iii) The B-BBEE status level of the sub-contractor.....
- iv) Whether the sub-contractor is an EME or QSE

(Tick applicable box)

YES		NO	
-----	--	----	--

- v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations,2017:

Designated Group: An EME or QSE which is at last 51% owned by:	EME √	QSE √
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
<b>OR</b>		
Any EME		
Any QSE		

## 9. DECLARATION WITH REGARD TO COMPANY/FIRM

9.1 Name of company/firm:.....

9.2 VAT registration number:.....

9.3 Company registration number:.....

9.4 TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium

- ☐ One person business/sole propriety
  - ☐ Close corporation
  - ☐ Company
  - ☐ (Pty) Limited
- [TICK APPLICABLE BOX]

9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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

9.6 COMPANY CLASSIFICATION

- ☐ Manufacturer
  - ☐ Supplier
  - ☐ Professional service provider
  - ☐ Other service providers, e.g. transporter, etc.
- [TICK APPLICABLE BOX]

9.7 MUNICIPAL INFORMATION

**Municipality where business is situated:** .....

**Registered Account Number:** .....

**Stand Number:**.....

9.8 Total number of years the company/firm has been in business:.....

9.9 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we 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 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
  - (a) disqualify the person from the bidding process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury 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.

WITNESSES

1. ....

2. ....

.....  
 SIGNATURE(S) OF BIDDERS(S)

DATE: .....

ADDRESS .....

<b>FORM MBD 6.2: LOCAL CONTENT</b>
------------------------------------

**MBD 6.2****DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS**

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

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

**1. General Conditions**

- 1.1. Preferential Procurement Regulations, 2011 (Regulation 9) makes provision for the promotion of local production and content.
- 1.2. Regulation 9.(1) prescribes that in the case of designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for bids referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

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

Where

x is the imported content in Rand

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

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid as required in paragraph 4.1 below.

The SABS approved technical specification number SATS 1286:2011 is accessible on <http://www.thedti.gov.za/industrial development/ip.jsp> at no cost.

1.6. A bid may be disqualified if –

- (a) this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation; and
- (b) the bidder fails to declare that the Local Content Declaration Templates (Annex C, D and E) have been audited and certified as correct.

## 2. Definitions

- 2.1. **“bid”** includes written price quotations, advertised competitive bids or proposals;
- 2.2. **“bid price”** price offered by the bidder, excluding value added tax (VAT);
- 2.3. **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
- 2.4. **“designated sector”** means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;
- 2.5. **“duly sign”** means a Declaration Certificate for Local Content that has been signed by the Chief Financial Officer or other legally responsible person nominated in writing by the Chief Executive, or senior member / person with management responsibility (close corporation, partnership or individual).
- 2.6. **“imported content”** means that portion of the bid price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad (this includes labour and intellectual property costs), plus freight and other direct importation costs, such as landing costs, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry;
- 2.7. **“local content”** means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place;
- 2.8. **“stipulated minimum threshold”** means that portion of local production and content as determined by the Department of Trade and Industry; and
- 2.9. **“sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.

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

<u>Description of services, works or goods</u>	<u>Stipulated minimum threshold</u>
_____	_____ %
_____	_____ %
_____	_____ %

### 4. Does any portion of the services, works or goods offered



have any imported content?  
(**Tick applicable box**)

YES		NO	
-----	--	----	--

- 4.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by the SARB for the specific currency at 12:00 on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on **www.reservebank.co.za**.

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

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

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

5. Were the Local Content Declaration Templates (Annex C, D and E) audited and certified as correct?  
(**Tick applicable box**)

YES		NO	
-----	--	----	--

- 5.1. If yes, provide the following particulars:

- (a) Full name of auditor: .....  
(b) Practice number: .....  
(c) Telephone and cell number: .....  
(d) Email address: .....

**(Documentary proof regarding the declaration will, when required, be submitted to the satisfaction of the Accounting Officer / Accounting Authority)**

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

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

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

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

**ISSUED BY:** (Procurement Authority / Name of Municipality / Municipal Entity):

.....

NB

- 1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.

2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on [http://www.thedti.gov.za/industrial\\_development/ip.jsp](http://www.thedti.gov.za/industrial_development/ip.jsp). Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

I, the undersigned, ..... (full names),  
do hereby declare, in my capacity as .....  
of .....(name of bidder entity), the following:

(a). The facts contained herein are within my own personal knowledge.

(b). I have satisfied myself that;

- (i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and
- (ii) the declaration templates have been audited and certified to be correct.

(c). The local content percentages (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C;

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

**If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above. The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E.**

(d) I accept that the Procurement Authority / Municipality /Municipal Entity has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.

(e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Municipal / Municipal Entity imposing any or all the remedies as provided for in Regulation 13 of the Preferential Procurement Regulations, 2011 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

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

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

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

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

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

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

## **CONTRACT FORM - PURCHASE OF GOODS/WORKS**

**THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SUCCESSFUL BIDDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SUCCESSFUL BIDDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.**

### **PART 1 (TO BE FILLED IN BY THE BIDDER)**

1. I hereby undertake to supply all or any of the goods and/or works described in the attached bidding documents to (name of institution)..... in accordance with the requirements and specifications stipulated in bid number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the purchaser during the validity period indicated and calculated from the closing time of bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
  - (i) Bidding documents, viz
    - Invitation to bid
    - Tax clearance certificate
    - Pricing schedule(s)
    - Technical Specification(s)
    - Preference claims in terms of the Preferential Procurement Regulations 2001
    - Declaration of interest
    - Special Conditions of Contract;
  - (ii) General Conditions of Contract; and
  - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the goods and/or works specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
4. I accept full responsibility for the proper execution and fulfillment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
6. I confirm that I am duly authorized to sign this contract.

NAME (PRINT) .....

CAPACITY .....

SIGNATURE .....

NAME OF FIRM .....

DATE .....

**WITNESSES**

1. ....

2. ....

DATE: .....

**MBD 7.2**

**CONTRACT FORM - PURCHASE OF GOODS/WORKS**

**PART 2 (TO BE FILLED IN BY THE PURCHASER)**

1. I.....in my capacity as.....  
accept your bid under reference number .....dated.....for the  
supply of goods/works indicated hereunder and/or further specified in the annexure(s).
2. An official order indicating delivery instructions is forthcoming.
3. I undertake to make payment for the goods/works delivered in accordance with the terms  
and conditions of the contract, within 30 (thirty) days after receipt of an invoice  
accompanied by the delivery note.

<i>ITEM NO.</i>	<b>PRICE (ALL APPLICABLE TAXES INCLUDED)</b>	<b>BRAND</b>	<b>DELIVERY PERIOD</b>	<b>B-BBEE STATUS LEVEL OF CONTRIBUTION</b>	<b>MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)</b>

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

SIGNED AT .....ON.....

NAME (PRINT) .....

SIGNATURE .....

OFFICIAL STAMP



**WITNESSES**

1. ....

2. ....

**MBD 8**

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

- 1 This Municipal Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be rejected if that bidder, or any of its directors have:
  - 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).	<b>Yes</b> <input type="checkbox"/>	<b>No</b> <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, <a href="http://www.treasury.gov.za">www.treasury.gov.za</a> , click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 3265445).	<b>Yes</b> <input type="checkbox"/>	<b>No</b> <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?	<b>Yes</b> <input type="checkbox"/>	<b>No</b> <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	<b>Yes</b> <input type="checkbox"/>	<b>No</b> <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?	<b>Yes</b> <input type="checkbox"/>	<b>No</b> <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**

**MBD 9**

### **CERTIFICATE OF INDEPENDENT BID DETERMINATION**

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

- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

**MLM/MFMS/2024-29 APPOINTMENT OF A SERVICE PROVIDER FOR THE LICENCE MAINTENANCE, UPGRADE AND SUPPORT OF AN INTEGRATED MUNICIPAL FINANCIAL MANAGEMENT SYSTEM (ERP) FOR A FIVE (5) YEAR PERIOD.**

- <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: MORETELE LOCAL MUNICIPALITY

(Name of Municipality / Municipal Entity)

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

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**

**BC (F)**

**CERTIFICATE in terms of SECTION 112(1) of the MUNICIPAL FINANCE MANAGEMENT  
ACT 2003 (Act No. 56 of 2003) and  
in terms of CLAUSES 43 and 44 of the MUNICIPAL SUPPLY CHAIN MANAGEMENT  
POLICY**

I, the undersigned, warrants that I am duly authorized to act on behalf of the enterprise mentioned below and do hereby certify that, to the best of my personal knowledge, neither the enterprise nor any of its owners, directors, members or partners has—

- i) failed to pay any municipal rates and taxes or municipal service charges;
- ii) been in arrears with any municipal accounts with any municipality or municipal entity in the Republic of South Africa, for a period longer than 3 (three) months;
- iii) been convicted of fraud or corruption during the past 5 (five) years;
- iv) abused the supply chain management system of the Municipality or has committed any improper conduct in relation to this system;
- v) failed, during the past 5 (five) years, to perform satisfactory on a previous contract with the Municipality or any other organ of state after written notice was given to the enterprise that performance was unsatisfactory;
- vi) willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past 5 (five) years;
- vii) been listed with the Register of Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act 2004 (Act no. 12 of 2004);
- viii) been listed on National Treasury's database as a person or enterprise prohibited from doing business with the public sector;
- ix) any tax matters that is not cleared by the South African Revenue Services;
- x) been in the service of the state for the past 12 (twelve) months or is in the service of the state; or
- xi) been or is an advisor or consultant contracted with the Municipality.

Further to the above I, the undersigned, herewith disclose the particulars of any kinship (parent, brother, sister or child) with a person that is in the service of the state (see footnote 1), or has been in the service of the state in the previous twelve months of any of its owners, directors, members or partners:

**Full Name of that person:**

**Identity Number of that person:**

**Particulars of Employer:**

**Capacity in which that person is in the service of  
the state:**

I acknowledge that any misrepresentation in respect of this certificate may be regarded as a reason to cancel the listing or bid as accredited prospective provider and any contract arising out of this information supplied.

**DULY AUTHORISED TO SIGN ON BEHALF OF:**

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

- (a) a member of any municipal council; any provincial legislature; or 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.

**(insert name of enterprise)**

**PRINT FULL NAME :** \_\_\_\_\_ **SIGNATURE :** \_\_\_\_\_

**IDENTITY NUMBER:** \_\_\_\_\_

## **CHECK LIST FOR COMPLETENESS OF BID DOCUMENT**

The bidder must ensure that the following checklist is completed, that the necessary documentation is attached to this bid document and that all declarations are signed:

**Non adherence to this checklist will invalidate your offer !**

***\*Mark with "X" where applicable***

<b>Items to be checked</b>	<b>Yes</b>	<b>No</b>	<b>Comments</b>
1. Completed all pages containing the details of bidder			
2. Adhered to the pricing instructions (MBD 3.1 )			
3. Completed and signed declaration of interest (MBD 4)			
4. Preference points claimed and signed declarations (MBD 6.1 where applicable). A certified copy or original BBEE certificate.			
5. Local content MBD 6.2 where applicable.			
6. Signed MBD 7.1 where applicable.			
7. Signed declaration of bidder's past supply chain management practices (MBD 8)			
8. Prohibition of Restrictive Practices (MBD 9) be completed and signed			
9. Latest municipal account of the bidder and its directors must be attached <b>If the bidder is not responsible for the payment of municipal rates and/ services, details in support of this must be attached to this bid document e.g. recent letter from landlord/lease agreement and rates.</b>			

### **CERTIFICATION**

**I, THE UNDERSIGNED (FULL NAME) ..... CERTIFY THAT THE INFORMATION FURNISHED ON THIS CHECK LIST IS TRUE AND CORRECT.**

.....  
**Signature**

.....  
**Date**

.....  
**Position**

.....  
**Name**

# **THE NATIONAL TREASURY**

**Republic of South Africa**



## **GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT**

**JULY 2010**

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**THE NATIONAL TREASURY: Republic of South Africa**

### **TABLE OF CLAUSES**

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information inspection

6. Patent Rights
7. Performance security
8. Inspections, tests and analyses
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental Services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Variation orders
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Anti-dumping and countervailing duties and rights
25. Force Majeure
26. Termination for insolvency
27. Settlement of Disputes
28. Limitation of Liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. Transfer of contracts
34. Amendments of contracts
35. Prohibition of restrictive practices

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## GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT

### 1. Definitions

1. The following terms must 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 any thing of value to influence the action of a public official in the procurement process or in contract execution.
  - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
  - 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
  - 1.7 "Day" means calendar day.
  - 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
  - 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
  - 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the goods are so delivered and a valid receipt is obtained.
  - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.

- 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the goods covered by the bid will be manufactured.
- 1.17 "Local content" means that portion of the bidding price, which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.



- 1.23 “SCC” means the Special Conditions of Contract.
- 1.24 “Services” means those functional services ancillary to the 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 bids, contracts and orders including bids for functional and professional services (excluding professional services related to the building and construction industry), sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific goods, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions must apply.

## **3. General**

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

## **4. Standards**

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

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

- 5.1 The supplier must 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

**information  
inspection**

therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any

such employed person must be made in confidence and must extend only so far as may be necessary for purposes of such performance.

- 5.2 The supplier must 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 must remain the property of the purchaser and must 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 must 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 must 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.

**THE NATIONAL TREASURY: Republic of South Africa**

**7. Performance  
Security**

- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder must furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2 The proceeds of the performance security must 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 must be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and must be in one of the following forms:
  - (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
  - (b) a cashier's or certified cheque.
- 7.4 The performance security will be discharged by the purchaser

and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified.

**8. Inspections, tests and analyses**

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises must be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections must be carried out, the purchaser must 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 must 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 must 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 must be held at the cost and risk of the supplier who must, 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 must 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 must 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 must 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 must 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

weights must 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 must comply strictly with such special requirements as must 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, must be made by the supplier in accordance with the terms specified in the contract.

**11. Insurance 11.1**

The goods supplied under the contract must 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 must 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 must 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, must be agreed upon in advance by the parties and must 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 must 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 must 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 must 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 must promptly notify the supplier in writing of any claims arising under this warranty.
- 15.4 Upon receipt of such notice, the supplier must, 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 must be specified.
- 16.2 The supplier must 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 must 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 must not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized or in the purchaser's request for bid validity extension, as the case may be.

**18. Variation Orders**

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

**19. Assignment**

19.1 The supplier must 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 must notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, must 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 must 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 must 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 must 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 must 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 must 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 must, 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 must, 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 must be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier must continue performance of the contract to the extent not terminated.
- 23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the

public sector for a period not exceeding 10 years.

- 23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the supplier as having no objection and proceed with the restriction.
- 23.5 Any restriction imposed on any person by the purchaser will, at the discretion of the purchaser, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the purchaser actively associated.
- 23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
- (i) the name and address of the supplier and / or person restricted by the purchaser;
  - (ii) the date of commencement of the restriction
  - (iii) the period of restriction; and
  - (iv) the reasons for the restriction.
- These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.
- 23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website

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

- 24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is



abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference must 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 must 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 must promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier must continue to perform its obligations under the contract as far as is reasonably practical, and must 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 must make every effort to resolve amicably such dispute or difference by mutual consultation.

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

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

27.4 Notwithstanding any reference to mediation and/or court proceedings herein,  
(a) the parties must continue to perform their respective obligations under the contract unless they otherwise agree; and

- (b) the purchaser must pay the supplier any monies due the supplier for goods delivered and / or services rendered according to the prescripts of the contract.

## **28. Limitation of Liability**

- 28.1 Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6;
- (a) the supplier must 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 must 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, must not exceed the total contract price, provided that this limitation must not apply to the cost of repairing or replacing defective equipment.

## **29. Governing Language**

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

## **30. Applicable Law**

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

## **31. Notices**

- 31.1 Every written acceptance of a bid must be posted to the supplier concerned by registered or certified mail and any other notice to him must 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 must 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, must be reckoned from the date of posting of such notice.

## **32. Taxes and Duties**

- 32.1 A foreign supplier must 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 must be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract must be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid SARS must have certified that the tax matters of the preferred bidder are in order.
- 32.4 No contract must 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 must 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 must 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 must be in writing, must also be in writing.

**35. Prohibition of  
Restrictive practices**

35.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 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 contractors(s) concerned

**SUPPLY CHAIN MANAGEMENT**

Enquiries: Mrs. M Phenya  
Tel: (012) 716 1414  
E-mail: [modiegi.phenya@moretele.gov.za](mailto:modiegi.phenya@moretele.gov.za)

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