

# LEPELLE-NKUMPI LOCAL MUNICIPALITY



## BID DOCUMENT

LN073/2025/26

### APPOINTMENT OF A DEBT COLLECTION AGENCY FOR A PERIOD OF THREE (3) YEARS

| TECHNICAL ENQUIRIES                                                                                                                                                                                                                  | BIDDING RELATED ENQUIRIES                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>BUDGET &amp; TREASURY</b><br><b>Mr. MATHEKGA MD</b><br><b>LEPELLE-NKUMPI LOCAL MUNICIPALITY</b><br><b>PRIVATE BAG X 07</b><br><b>CHUENESPOORT</b><br><b>0745</b><br><br><b>Tel : (015) 633 4561</b><br><b>Fax: (015) 632 4594</b> | <b>SUPPLY CHAIN MANAGEMENT</b><br><b>Ms. MAVHUNGU E</b><br><b>LEPELLE-NKUMPI LOCAL MUNICIPALITY</b><br><b>PRIVATE BAG X 07</b><br><b>CHUENESPOORT</b><br><b>0745</b><br><br><b>Tel : (015) 633 4616/4545</b><br><b>Fax: (015) 633 6896</b> |

NAME OF BIDDER (BIDDING ENTITY) : .....

CSD NUMBER : .....

CLOSING DATE : 08 OCTOBER 2026

CLOSING TIME : 11H00 AM

THE TOTAL OFFERED BID PRICE : \_\_\_\_\_(VAT INCLUSIVE)

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## **FORM A**

### **BID NOTICE**

**LN073/2025/26**

### **APPOINTMENT OF A DEBT COLLECTION AGENCY FOR A PERIOD OF THREE (3) YEARS**

The Municipality will adjudicate and award bids in accordance with the revised PPPFA Regulation and Municipal's Supply Chain Management Policy, 80/20-point system, where 80 points will be allocated for price and 20 points will be allocated for Special goals.

Municipality reserves the right to negotiate further conditions of the bid and other requirements with the successful bidder. The municipality reserves the right to appoint or not to appoint and is not obliged to accept the lowest bid.

Bid documents will be available from the municipal website ([www.lepelle-nkumpi.gov.za](http://www.lepelle-nkumpi.gov.za))/E-tenders portal, downloadable for free and official closing time for submission of bids is 11H00. Bid document fully completed, priced, sealed in an envelope marked with the bid number and description should be deposited in the bid box at Municipal Offices (Civic Centre) 170 BA, Unit F Lebowakgomo, on or before closing date and time. The municipality will not take any responsibility for lost documents due to poor packaging.

Bids will remain valid for 90 days from the date of closing. In case the validity period of a bid is extended, failure to submit any withdrawal/rejection of bid validity extension on/before the stipulated time and date will be considered as acceptance of extension of validity period. No faxed/ e-mail bids will be accepted, service providers using courier services should ensure that their documents are deposited into the bid box on or before the closing date and time. It is not the responsibility of Municipal officials to accept bids from courier services and take them to the bid box. All bidders must be registered on the National Treasury Central Supplier Database.

Enquiries relating to bid documents:

1. Supply Chain Management unit – Ms. Mavhungu E (015) 633 4616/4545
2. Budget and Treasury unit – Mr. Mathekga MD (015) 633 4506

**Dr. ML CHAUKE**  
**ACTING MUNICIPAL MANAGER**

**MBD1**

**PART A  
INVITATION TO BID**

|                                                                                                   |                                                                                    |               |                                                                   |                 |                                                                                        |
|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|---------------|-------------------------------------------------------------------|-----------------|----------------------------------------------------------------------------------------|
| <b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (LEPELLE NKUMPI MUNICIPALITY)</b>        |                                                                                    |               |                                                                   |                 |                                                                                        |
| BID NUMBER:                                                                                       | LNMO73/2025/26                                                                     | CLOSING DATE: | 08 OCTOBER 2026                                                   | CLOSING TIME:   | 11H00 AM                                                                               |
| DESCRIPTION                                                                                       | APPOINTMENT OF A DEBT COLLECTION AGENCY FOR A PERIOD OF THREE (3) YEARS            |               |                                                                   |                 |                                                                                        |
| <b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).</b> |                                                                                    |               |                                                                   |                 |                                                                                        |
| BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX<br>SITUATED AT UNIT 170 BA, CIVIC CENTRE   |                                                                                    |               |                                                                   |                 |                                                                                        |
| LEPELLE-NKUMPI LOCAL MUNICIPALITY                                                                 |                                                                                    |               |                                                                   |                 |                                                                                        |
| UNIT 170 BA, CIVIC CENTRE                                                                         |                                                                                    |               |                                                                   |                 |                                                                                        |
| LEBOWAKGOMO                                                                                       |                                                                                    |               |                                                                   |                 |                                                                                        |
| 0737                                                                                              |                                                                                    |               |                                                                   |                 |                                                                                        |
| <b>SUPPLIER INFORMATION</b>                                                                       |                                                                                    |               |                                                                   |                 |                                                                                        |
| NAME OF BIDDER                                                                                    |                                                                                    |               |                                                                   |                 |                                                                                        |
| POSTAL ADDRESS                                                                                    |                                                                                    |               |                                                                   |                 |                                                                                        |
| STREET ADDRESS                                                                                    |                                                                                    |               |                                                                   |                 |                                                                                        |
| TELEPHONE NUMBER                                                                                  | CODE                                                                               |               | NUMBE<br>R                                                        |                 |                                                                                        |
| CELLPHONE NUMBER                                                                                  |                                                                                    |               |                                                                   |                 |                                                                                        |
| FACSIMILE NUMBER                                                                                  | CODE                                                                               |               | NUMBE<br>R                                                        |                 |                                                                                        |
| E-MAIL ADDRESS                                                                                    |                                                                                    |               |                                                                   |                 |                                                                                        |
| VAT REGISTRATION NUMBER                                                                           |                                                                                    |               |                                                                   |                 |                                                                                        |
| TAX COMPLIANCE STATUS                                                                             | TCS PIN:                                                                           |               | <b>OR</b>                                                         | CSD No:         |                                                                                        |
| ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?            | <input type="checkbox"/> Yes <input type="checkbox"/> No<br>[IF YES ENCLOSE PROOF] |               | ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED? |                 | <input type="checkbox"/> Yes <input type="checkbox"/> No<br>[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                                                                                        | Lepelle Nkumpi Local Municipality                                                  |               | CONTACT PERSON                                                    | Mathekga Daniel |                                                                                        |
| CONTACT PERSON                                                                                    | Mavhungu E                                                                         |               | TELEPHONE NUMBER                                                  | 015 633 4561    |                                                                                        |
| TELEPHONE NUMBER                                                                                  | 015 633 4616/4531/4538                                                             |               | FACSIMILE NUMBER                                                  | (015) 633 6896  |                                                                                        |

|                  |                                                                                                      |                |                                       |
|------------------|------------------------------------------------------------------------------------------------------|----------------|---------------------------------------|
| FACSIMILE NUMBER | (015) 633 6896                                                                                       | E-MAIL ADDRESS | daniel.mathekga@lepelle-nkumpi.gov.za |
| E-MAIL ADDRESS   | <a href="mailto:elelwani.mavhungu@lepelle-nkumpi.gov.za">elelwani.mavhungu@lepelle-nkumpi.gov.za</a> |                |                                       |

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

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

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

SIGNATURE OF BIDDER: .....

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

DATE: .....

## Form “B”

### **BID SPECIFICATION**

#### **1. SCOPE OF WORK AND TERMS OF REFERENCE**

**Lepelle-Nkumpi Local Municipality** wishes to appoint a **Debt Collection Agency** on an as and when required basis, for a period of 36 months with effect from date of acceptance. The Municipality will require the successful bidders to provide the following services:

- a) Tracing of all handed-over debtors (Residential, business and Farms).
- b) Locate debtors and information needed to succeed in recoveries.
- c) Obtain outstanding information from debtors where possible.
- d) Setting up and maintain debtor's files.
- e) Reporting on a monthly basis on the status of the various debtors handed over for collection, as well as the successful collection of the capital amount in arrears.
- f) Provision of a service which is expedient, economical and feasible backed by experience, resources and appropriate technology.
- g) Negotiate and manage repayments plans.
- h) Conduct a recovery services by collecting and revering all outstanding monies by means of telephonic, as well as written communication.
- i) Submit all relevant enquiries and requests obtained from defaulters with respect to the debts outstanding.
- j) Submit year-end reports regarding the status quo of debtors.
- k) Collection of arrear un-metered service and sundry charges from active and in-active rate payers as identified by Lepelle-Nkumpi Local Municipality.
- .

**Arrear un-metered and sundry service charges** will be service charges outstanding for a period in excess of **90 days** from the due date, or such alternative period / date the municipality may determine.

#### **The collection of arrear metered, un-metered and sundry charges will entail:**

- i. Hand-over of specific accounts, within debt collection criteria, to bidder reflecting all relevant account holder details, account balance and service breakdown.
- ii. Agents to assist account holders with resolving of hand-over account enquiries in terms of Lepelle-Nkumpi's Debt and Credit Control Policy.
- iii. Identification of indigent debtors through the normal debt collection processes and acquiring of required application details in terms of the approved Indigent Policy.
- iv. Evaluation, acceptance and capturing of payment arrangements on the Solar Financial System.
- v. Collection of arrear payments due to the municipality; including interest, legal penalties, Value Added Tax

and any other arrear amount reflected on the rate payer's handed-over account.

vi. Submission in electronic format of updated account holders' personal contacts or related details.

vii. Submission of detailed monthly progress reports in respect of individual debtors accounts.

## **2. EXTENT OF COLLECTION PROCESS:**

The collection process will consist of a **PRE-LEGAL**, **LEGAL** and **ADMINISTRATIVE** processes.

Lepelle-Nkumpi Municipality administration will identify accounts to be handed over to the appointed collection agent only after certain internal debt control procedures have been effected. These procedures will include, but not limited to:

- Issue of reminder notices;
- Issue of demand letters;
- Issue of final notices; or
- Any internal collection strategy and or incentive implemented collectively by Lepelle-Nkumpi Municipality.

Lepelle-Nkumpi Local Municipality shall timeously issue formal instructions to the appointed debt collection agent to collect such amounts owing to it. These instructions will include both active and in-active accounts.

**In-active accounts** refer to accounts where the owner of the property, tenant or contractor vacated the premises or sold the property and where no active services are levied whilst an arrear amount remained payable.

**PRE-LEGAL** process will entail the following:

- i. Lepelle-Nkumpi Local Municipality shall from time to time; and in its discretion instruct the collection agent to collect any debt by delivering to the collection agent, electronically or any other form reasonably acceptable, details of debt and debtor details as reflected on the municipality's financial system to enable the collection agent to collect such debt.
- ii. In the event that current debtor information is incorrect or insufficient, the collection agent is to make use of any legal tracing method or access any relevant external data source to obtain correct debtor details. These details are to be submitted to the municipality in order to update the debtors' records.
- iii. The collection agent shall issue reasonable pro-active reminders including personal contacts, demand for payment and opportunity for re-dress in respect of all accounts handed over for collection.
- iv. The collection agent shall allow sufficient time period for the account holder to respond to reminders and / or personal contacts.
- v. The collection agent shall record actions taken on **Solar Financial System** (subject to agreement with municipality on the level of access to the system).



**LEGAL PROCESS** will entail the following:

- i. The collection agent shall, in the absence of sufficient response and / or proactive actions from account holder, institute all necessary legal actions up to and including the granting of a warrant of execution.
- ii. Issue summonses to defaulting account holders.
- iii. Obtain default judgment against and black listing of defaulting account holders in terms of the municipality's approved **CREDIT CONTROL POLICY**.
- iv. Obtain emolument attachments and movable asset attachment orders.
- v. Obtain court order for attachment and sale in execution of immovable assets.
- vi. Prior written approval from Chief Financial Officer deal with the following legal proceedings:
  - Blacklisting;
  - Attachment of movable assets;
  - Sale in execution of immovable assets;
  - Defended matters
- vii. Handling of all legal matters arising from handed-over accounts.
- viii. Defended matters must in ALL instances be handed over to Chief Financial Officer for verification and allocation to the appointed external legal panel. The matter will therefore totally be withdrawn from the collection agent.

**ADMINISTRATIVE PROCESS** will entail the following:

- i. Formal reversal of uncollectable debt accounts with detailed steps taken in the collection process and reasons why debts are deemed uncollectable.
- ii. Recording and tracking of account enquiries and or disputes.
- iii. Submission, in electronic format, of updated account holder details.
- iv. Submission of information regarding prospective indigent beneficiaries.
- v. Submission of formal arrangement documentation.
- vi. Detailed reporting functions in respect of all related collection matters.

### **3. COMMISSIONABLE COLLECTIONS**

Commissionable collections will be considered only if the total or adjusted handed over amount on date of hand-over is paid to the municipality and receipted in the financial system.

Commissionable collections will include:

- i. Un-metered and sundry service charges, interest, penalties, fines, legal costs, statutory taxes and other debits raised on the rate payers account which are reflected as arrears on date of hand over.
- ii. Amounts collected in terms of Formal Debt Repayment Agreement as prescribed by the municipality will only be commissionable if receipted; and if the conditions of agreement are adhered to for the duration of the agreement.
- iii. Amounts receipted in terms of court order and or judgment.

iv. Amounts receipted in terms of proceeds from “Sale in Execution” of movable or immovable assets.

**But will exclude:**

- i. Any amounts collected by the collection agent in excess of the amount actually handed over or adjusted handed over amount even if such excess amount was collected as a result of error on the part of the municipality or collection agent.
- ii. Adjusted portion of handed-over account due to administrative, billing or account enquiry error.
- iii. Accounts withdrawn from the handed-over process.
- iv. Clearance debt in terms of Section 118 of Systems act (Act 32 of 2000) applied for before or after hand-over for collection.
- v. Amounts identified by the collection agent, to have been received by the municipality **less** than 90 days prior to identification but not yet allocated to the rate payers account.
- vi. Amounts identified by the collection agent as have been received by the municipality and deposited into the council’s bank account **more** than 90 days prior to identification, but not yet allocated to the rate payer’s account **but** where sufficient information is reflected on bank statement to effectively allocate payment to levy payer account.

**Commissionable collections** will specifically **EXCLUDE** any amount of capital debt, legal costs, other costs and interest written off and / or adjusted by the municipality as an incentive, administrative error or specific circumstance as approved by the municipality in terms of delegated authority.

**Additional Charges to accounts:** No additional charges or commission, other than those charges legally raised against an account by the municipality, may be raised or collected from consumers, account holders or rate payers by an agent of the municipality.

#### **4. COLLECTION OF PAYMENT**

All payments are to be effected by debtors through the available payment methods which include electronic payments via financial institutions, debit orders, Telkom, Easypay or cash at the municipal pay points.

All debt handed over will be on a “**No collection, no pay**” commission basis. The bidder should reflect the debt commission percentage inclusive of VAT. The price of the bid will be established by the percentage or rate tendered.

The project is commission based, therefore if there is no collection made by the service provider, no payment will be made by Lepelle-Nkumpi Local Municipality.

#### **5. WITHDRAWAL OF INSTRUCTIONS**

##### **Lepelle-Nkumpi Local Municipality Instructions**

Lepelle-Nkumpi Local Municipality may at any time instruct the collection agent to cease proceedings against any particular debtor and withdraw any such instruction in respect of the collection of amount owing by any debtor.

The municipality will not be required to submit reasons to the collection agent for withdrawal of the instruction.

### **Defended Matters**

In the event of the debtor indicating that the matter will be defended, the collection agent shall report such fact to the Chief Financial Officer and shall not proceed with the prosecution of such action.

### **Unsuccessful collections**

After a period of six (6) months from date of collection instruction being issued, the collection agent is to return the instruction and all relevant documentation to the municipality, if the debt is not paid in full or if no satisfactory arrangement has been concluded with debtor to pay outstanding debt.

The municipality shall be entitled to call for reasons from the collection agent as to why no collection of debt was achieved and the collection agent shall be obliged to furnish such reasons.

### **General**

The collection agent shall refrain from having any contact or dealings with accountholder as from the date the withdrawal instruction is issued by the municipality; or the defended matter is handed over to the municipality or if file is handed over due to unsuccessful collection.

The agent will have no claim against any collections or payments made after the date of withdrawal of hand-over instruction.

**Lepelle-Nkumpi Local Municipality will not be held liable for the payment of ANY costs incurred by the collection agent up to the time of withdrawal of the instruction.**

## **6. SOFTWARE LINK**

The appointed collection agent shall provide a suitable electronic link between the municipality's financial system and the computer system operated by the collection agent, to enable the municipality to transmit instructions to the collection agent electronically.

The collection agent will ensure that their software is compatible, in all aspects, with the municipal financial system. All costs associated with the establishing and maintaining of remote site facility will be for the collection agent.

The Computer link will further be utilized:

- a. To verify balances outstanding on any account in respect of which a handed-over instruction has been issued.
- b. To ascertain whether or not payments has been made by account holders.
- c. To verify current debtors' personal details.
- d. To ascertain whether the debtor has made any settlement arrangements with the municipality.
- e. To record hand-over actions taken.
- f. To record debt repayment arrangements entered into with account holders.
- g. To obtain such relevant account information as may be required in order to address account disputes and or enquiries.

## **7. AREA OF SERVICE**

The municipality reserves the right to appoint any bidder for any service delivery area within the area of

jurisdiction of Lepelle-Nkumpi Local Municipality. The bidder must further accept the fact that it may not be appointed for a specific area(s) it offered to service in terms of this document.

## **8. CONDUCT OF COLLECTION AGENTS**

The information supplied by the municipality or obtained by the collection agent shall not be used by the collection agent for any other purpose other than for the collection of the outstanding debt. The collection agent shall ensure that the municipality is not prejudiced or projected in an unfavourable manner and shall at all times act within the ambit of the law, the municipality's Debt and Credit Control Policy and maintain acceptable customer care standards.

## **9. PROFESSIONAL MEMBERSHIP**

As a professional service provider, bidders should be registered with:

- The Association of Debt Recovery Agents (ADRA) and / or
- The Law Society and Council for Debt Collectors Act No.114, of 1998.

**Proof of such registration must accompany the tender document.**

## **10. EXTENT OF CONTRACT**

The municipality cannot guarantee the extent of the supply, or the volume of work to be carried out, as this tender comprises both assignment of specific tasks and ad-hoc allocations. Bidders must note that demand variations in the required services will dictate the volume and frequency of the work required.

Should the agent fail to perform to the satisfaction of Council, and in terms of the Agency Agreement, the services of the said agent will be terminated at the discretion of the municipality. If terminated, all relevant documentation is to be handed back to the administration of the municipality and NO claims will be made against the municipality in respect of outstanding arrangement, commissions, fees and / or costs.

## **11. CONFLICT OF INTEREST**

Bidders are required to confirm that to the best of their knowledge, the acceptance of their bid would not be in conflict with any interest, or with any other party. Bidders are required to disclose any interest whatsoever in multiple tender submissions and relationships to councilors and / or officials of Lepelle-Nkumpi Local Municipality. Bidder's failure to disclose such information will lead to rejection.

## **12. TERMINATION.**

The contract will terminate on completion of contract period or upon written notification by the municipality due to non-performance of contractor.

NO commission or fees will be payable in respect of any collection made or payment received after the termination date of contract, irrespective of the type or reason for collection, including arrangement instalments. The collection agent shall hand over all relevant material, progress reports and files in respect of unresolved matters on termination date.

## **13. PROCESS AND CAPABILITY PROPOSAL**

Bidders are required to submit full details on the following collection processes and capabilities:

(a) Access to external debtor data information with clear distinction between Government, Provincial, Municipal

and Private Sector data basis.

(b) Proposed methodology to be applied in respect of Pre-Legal and Legal Process.

(c) Legal capabilities

(d) Anticipated time-frames in respect of all collection processes.

(e) Call Centre capabilities

(f) Availability of bidder enquiry staff within the jurisdiction area of Lepelle-Nkumpi Local Municipality.

(g) Network and Computer systems to be deployed.

(h) Previous experience in debt collection matters.

(i) Capacity, skills and experience.

(j) Detailed proposal on Composition of team specifically allocated towards this bid with relevant qualifications and experience in debt collection.

FORM “C”

PRICING SCHEDULE

|                                |   |
|--------------------------------|---|
| TOTAL COMMISSION INCLUDING VAT | % |
|--------------------------------|---|

15% VAT WILL ONLY BE APPLICABLE TO REGISTERED VAT VENDORS

## **FORM “D”**

### **RESPONSIVENESS AND EVALUATION**

The following evaluation process and criteria will be used to evaluate all bids submitted:

All bids received shall be evaluated in terms of Supply Chain Management Regulations, Lepelle – Nkumpi Local Municipality Supply Chain Management Policy, The Preferential Procurement Policy Framework Act, and other applicable legislation.

The evaluation criteria consist of the following three (03)

phases:

Phase 1 – Administration compliance

Phase 2- Functionality

Phase 3- Price and special goals points

Bids in administrative compliance must meet the requirements of each phase in order to qualify for further evaluation

Bids in functionality phase must meet minimum points of 70 to qualify for further evaluation and below 70 points bidders will be disqualified.

#### **1. Administrative Compliance – Phase one**

### **RESPONSIVENESS CRITERIA**

1. The bid must be properly received in a sealed envelope clearly indicating the description of the service and the bid number for which the bid is submitted. The municipality will not take any responsibility of the lost documents due to poor packaging.
2. The bid must be deposited in the relevant bid box as indicated on the notice of the bid on or before the closing date and time of the bid.
3. The following MBD forms 1, 3.3, 4,5, 6.1, 8, and 9 must be completed in full. In case of a joint venture, MBD forms should be completed by an authorized JV representative. (Failure to do so will result in disqualification)
  - i. MBD 1 – Invitation to bid
  - ii. MBD 3.3- Pricing schedule (Professional services)
  - iii. MBD 4 – Declaration of interest
  - iv. MBD 5 – Declaration for procurement above R10 million (vat included)
  - v. MBD 6.1 – Preference points claim form
  - vi. MBD 8 – Declaration of bidder’s past supply chain management practices

vii. MBD 9 – Certificate of independent bid determination

4. All pages must be initialized or signed. (failure to do so will result in disqualification)

5. Alterations must be signed or initialized. (failure to do so will result in disqualification)

**6. THE USE OF TIPPEX WILL AUTOMATICALLY DISQUALIFY YOUR BID**

7. The bid document and attached annexure must be completed in indelible ink. (failure to do so will result in disqualification)

**8. The bidder must attach following with the tender:**

- i. Copy of the entity/company registration certificate must be submitted with the bid, if applicable.
- ii. Certified copies of IDs for all Director(s) must be attached **(Certification not older than 3 months before the closing date)**
- iii. Tax compliance pin/ CSD number must be completed in MBD form 1.
- iv. Authority for signatory – attach resolution in case of more than one director
- v. Bidder/s (Company and director/partner or sole propriety) must attach proof of municipal rates on municipality letterhead which are not older than 90 days. If the statement of municipal rates is not in the name of the bidder an affidavit from SAPS must be attached. **OR** Letter of traditional authority not older than 90 days for bidder/s. **OR** in case of a lease agreement, a signed lease agreement by both parties must be attached.

**NB: Failure to adhere to the above-mentioned requirements will results to disqualification**



## 2. Functionality – Phase two

The bidders who complied administratively are considered for further evaluation on ability to execute the project.

The assessment of functionality will be done in terms of the evaluation criteria and minimum threshold as specified. Bidders are notified that a minimum of 70 points should be achieved in order to be evaluated further, a bid will be disqualified if it fails to meet the minimum threshold for functionality.

### Functionality Scorecard

| Evaluation Criteria                                                                                                                                                                                                                                                                                                                                                                         | Activity Description                                                                                                                                                                                                                                 | Points                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| <b>In – house Debt Collection software</b><br><br>Bidders are expected to provide proof of having an in-house software or system for debt collection process that is currently in use highlighting how it deals with the activity description. Bidders are expected to demonstrate the capability of their software to interface with the municipality's Solar Financial Management System. | - Proof of software license (25)<br><br>- No Proof of software license (0)                                                                                                                                                                           | 25                     |
| <b>Bidders' previous Experience (company)</b><br><br>Bidders are expected to demonstrate that they have previous experience in delivering similar service.<br><br>(Bidders are to provide signed appointment and reference letters on the letterhead of the institution)                                                                                                                    | - Company has at least executed four (4) or more debt collection projects in the past.<br><br>-Company has executed three (3) debt collection projects in the past.<br><br>-Company has executed two (2) debt collection projects in the past        | 30<br><br>20<br><br>10 |
| <b>In house legal division</b><br><br>Bidders are required to provide proof of in-house legal division, where in all the legal processes of the debt collection function are performed (i.e. company profile with organisational structure, including qualifications of key personnel, etc.)                                                                                                |                                                                                                                                                                                                                                                      | 5                      |
| <b>Profile of key staff</b><br><br>(The abridged CV and attach proof of qualification with a minimum of diploma in finance /accounting/legal field or business management or higher).                                                                                                                                                                                                       | -The company have 5 or more debt collectors with experience of more than 5 years<br><br>-The company have 3-4 debt collectors with experience of more than 5 years<br><br>-The company have 1-2 debt collectors with experience of more than 5 years | 30<br><br>20<br><br>10 |

|                                                                                                                           |              |            |
|---------------------------------------------------------------------------------------------------------------------------|--------------|------------|
| <b>Financial standing / Ability rating to execute the project</b><br>Attach Bidder's stamped bank(financial)rating letter | A - C        | 10         |
|                                                                                                                           | D            | 07         |
|                                                                                                                           | F            | 05         |
|                                                                                                                           | <b>TOTAL</b> | <b>100</b> |

**The bidder is expected to score a minimum of 70 points to be evaluated further**

### **3. Price and Preference Point system (Special goals) – Phase three**

All bids received shall be evaluated in terms of the Supply Chain Management Regulations, Lepelle-Nkumpi Municipality Supply Chain Management Policy, the Preferential Procurement Policy Framework Act, amended PPR 2022 and other applicable legislations.

#### **Evaluation on price and preference point system**

| <b>Evaluation Criteria</b> |                                  | <b>Points</b> |
|----------------------------|----------------------------------|---------------|
| 1.                         | Price                            | 80            |
| 2.                         | Preference point (Special goals) | 20            |
| 3.                         | Total                            | 100           |

**Special goals are awarded as per the following table:**

| <b>The specific goals allocated points in terms of this tender</b>                               | <b>Number of points allocated<br/>Special goals: 20 points</b> |
|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| (Percentage %) Black Person owned as per CSD                                                     | 04                                                             |
| People or Businesses residing within Lepelle-Nkumpi Local Municipality as per proof of residence | 04                                                             |
| (Percentage %) owned by black people who are women as per CSD                                    | 04                                                             |
| (Percentage %) owned by black people who are disabled as per CSD                                 | 04                                                             |
| (Percentage %) owned by black people who are youth as per CSD                                    | 04                                                             |

The Council reserves the right to accept all, some, or none of the bids submitted – either wholly or in part – and it is not obliged to accept the lowest bid.

By submitting this bid, bidders authorize the Council or its delegate(s) to carry out any investigation deemed necessary to verify the correctness of the statements and documents submitted and that such documents reasonably reflect the ability of the Bidder to provide the goods and services required by the Council.

**Annexure A**

**MBD 3.3**

**PRICING SCHEDULE (PROFESSIONAL SERVICES)**

Name of Bidder:.....Bid Number: .....

Closing Time: ..... Closing Date .....

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

| ITEM NO | DESCRIPTION | BID PRICE IN RSA CURRENCY**(ALL APPLICABLE TAXES INCLUDED) |
|---------|-------------|------------------------------------------------------------|
|         |             |                                                            |

1. The accompanying information must be used for the formulation of proposals.

2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project.

R.....

3. PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)

4.PERSON AND POSITION      HOURLY RATE      DAILY RATE

..... R.....  
..... R.....  
..... R.....  
..... R.....  
..... R.....

5. PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

..... R..... days  
..... R..... days  
..... R..... days  
..... R..... days

5.1 Travel expenses (specify, for example rate/km and total km, class of air travel, etc.). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.

| DESCRIPTION OF EXPENSE TO BE INCURRED | RATE  | QUANTITY | AMOUNT |
|---------------------------------------|-------|----------|--------|
| .....                                 | ..... | .....    | R..... |
| .....                                 | ..... | .....    | R..... |

..... R.....  
 ..... R.....

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

- 5.2 Other expenses, for example accommodation (specify, eg. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

| DESCRIPTION OF EXPENSE TO BE INCURRED | RATE  | QUANTITY | AMOUNT |
|---------------------------------------|-------|----------|--------|
| .....                                 | ..... | .....    | R..... |
| .....                                 | ..... | .....    | R..... |
| .....                                 | ..... | .....    | R..... |
| .....                                 | ..... | .....    | R..... |

TOTAL: R.....

6. Period required for commencement with project after

Acceptance of bid .....

7. Estimated man-days for completion of project .....

8. Are the rates quoted firm for the full period of contract? .....\*YES/ NO.

9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.....

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

\*Delete if not applicable

**ANNEXURE “B”**

**MBD 4**

**DECLARATION OF INTEREST**

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

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

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

3.2 Identity Number: .....

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

3.4 Company Registration Number: .....

3.5 Tax Reference Number:.....

3.6 VAT Registration Number: .....

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

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

3.8.1 If yes, furnish particulars. ....

.....

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

(a) a member of –

- (i) any municipal council;
- (ii) any provincial legislature; or
- (iii) the national Assembly or the national Council of provinces;

(b) a member of the board of directors of any municipal entity;

(c) an official of any municipality or municipal entity;

(d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);

(e) a member of the accounting authority of any national or provincial public entity; or

(f) an employee of Parliament or a provincial legislature.

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

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

3.9.1 If yes, furnish particulars.....

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

3.10.1 If yes, furnish particulars.

.....  
.....

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

3.11.1 If yes, furnish particulars

.....  
.....

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

3.12.1 If yes, furnish particulars.

.....  
.....

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

3.13.1 If yes, furnish particulars.

.....  
.....

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

3.14.1 If yes, furnish particulars:

.....  
.....

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

| Full Name | Identity Number | State Employee Number |
|-----------|-----------------|-----------------------|
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |

.....  
**Signature**

.....  
**Date**

.....  
**Capacity**

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

ANNEXURE "C"

**MBD5: DECLARATION FOR PROCUREMENT ABOVE R10 MILLION (VAT INCLUDED)**

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

1. Are you by law required to prepare annual financial statements for auditing? **YES/NO**

If yes, submit audited annual financial statements for the past three years or since the date of establishment if established during the past three years.

.....  
.....

2. Do you have any outstanding undisputed commitments for Municipal services towards a municipality or any other service provider in respect of which payment is overdue for more than 30 days? **YES / NO**

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

- 2.2 If yes, provider particulars.

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

3. Has any contract been awarded to you by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract?

**YES / NO**

- 3.1 If yes, furnish particulars

.....  
.....

4. Will any portion of goods or services be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality / municipal entity is expected to be transferred out of the Republic?

**YES / NO**

- 4.1 If yes, furnish the particulars

.....  
.....

SIGNATURE: .....

DATE: .....



ANNEXURE “D”

MBD 6.1

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

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

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

---

**1. GENERAL CONDITIONS**

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

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included)

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

a) The 80/20 preference point system will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

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

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

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

The maximum points for this tender are allocated as follows:

|                                           | POINTS |
|-------------------------------------------|--------|
| PRICE                                     | 80     |
| SPECIFIC GOALS                            | 20     |
| Total points for Price and SPECIFIC GOALS | 100    |

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

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

## 2. DEFINITIONS

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

## 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1 POINTS AWARDED FOR PRICE

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

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

#### 80/20

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

Where

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

$P_t$  = Price of tender under consideration

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

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

### 3.2.1 POINTS AWARDED FOR PRICE

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

**80/20**

$$P_s = 80 \left( 1 + \frac{P_t - P}{P} \right)$$

Where

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

$P_t$  = Price of tender under consideration  $P_{max}$  = Price of highest acceptable tender

#### 4. POINTS AWARDED FOR SPECIFIC GOALS

4.1 In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

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

***The 80/20 preference point system is applicable, corresponding points must also be indicated as such.***

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

| The specific goals allocated points in terms of this tender                                     | Number of points allocated (80/20 system) | Number of points claimed (80/20 system) (To be completed by the tenderer) |
|-------------------------------------------------------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------------|
| 100% Black Person owned as per CSD                                                              | 04                                        |                                                                           |
| People or Businesses residing with Lepelle- Nkumpi Local Municipality as per proof of residence | 04                                        |                                                                           |
| Woman for 100% Woman owned Company as per CSD                                                   | 04                                        |                                                                           |
| People with disability for 100% disability owned company as per CSD                             | 04                                        |                                                                           |
| Youth (18 to 35 years) for 100% Youth owned company as per CSD                                  | 04                                        |                                                                           |

## DECLARATION WITH REGARD TO COMPANY/FIRM

4.2 Name \_\_\_\_\_ of \_\_\_\_\_ company/firm

4.3 Company \_\_\_\_\_ registration \_\_\_\_\_ number \_\_\_\_\_

4.4 Type of Company/Firm

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

[TICK APPLICABLE BOX]

4.5. I, the undersigned, who is duly authorized to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals of this bid, qualifies the company/firm for the preference(s) shown and I acknowledge that:

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

|                                                |                                                                                                               |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <p>WITNESSES</p> <p>1. ....</p> <p>2. ....</p> | <p>.....<br/>SIGNATURE(S) OF BIDDERS(S)</p> <p>DATE: .....</p> <p>ADDRESS .....</p> <p>.....</p> <p>.....</p> |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------------|

## CONTRACT FORM - PURCHASE OF GOODS/SERVICES

**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 services 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;
    - Proof of Tax Compliance Status;
    - Pricing schedule(s);
    - Technical Specification(s);
    - Preference claim form for Preferential Procurement in terms of the Preferential Procurement Regulations;
    - Declaration of interest;
    - Declaration of bidder's past SCM practices;
    - Certificate of Independent Bid Determination;
    - 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 fulfilment 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 authorised to sign this contract.

NAME (PRINT) .....

CAPACITY .....

SIGNATURE .....

NAME OF FIRM .....

DATE .....

#### WITNESSES

1. ....

2. ....

DATE: .....

**CONTRACT FORM - PURCHASE OF GOODS/SERVICES****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/services 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/services 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.

| ITEM NO. | PRICE (ALL APPLICABLE TAXES INCLUDED) | BRAND | DELIVERY PERIOD | TOTAL PREFERENCE POINTS CLAIMED | POINTS CLAIMED FOR EACH SPECIFIC GOAL |
|----------|---------------------------------------|-------|-----------------|---------------------------------|---------------------------------------|
|          |                                       |       |                 |                                 |                                       |

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

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

NAME (PRINT) .....

SIGNATURE .....

OFFICIAL STAMP

**WITNESSES**

1. ....

.

2. ....

.

## 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 of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?<br><br>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).<br><br><b>The Database of Restricted Suppliers now resides on the National Treasury’s website(<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</b> | Yes<br><input type="checkbox"/> | No<br><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)?<br><b>The Register for Tender Defaulters can be accessed on the National Treasury’s website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b>                                                                                                                                                                                                                                                                               | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.2.1 | If so, furnish particulars:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                 |                                |
| 4.3   | Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |



|             |                                                                                                                                                                                                                                        |                                 |                                |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|--------------------------------|
| 4.3.1       | If so, furnish particulars:                                                                                                                                                                                                            |                                 |                                |
| <b>Item</b> | <b>Question</b>                                                                                                                                                                                                                        | <b>Yes</b>                      | <b>No</b>                      |
| 4.4         | Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months? | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.4.1       | If so, furnish particulars:                                                                                                                                                                                                            |                                 |                                |
| 4.5         | Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?                         | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.7.1       | If so, furnish particulars:                                                                                                                                                                                                            |                                 |                                |

### CERTIFICATION

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

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

.....  
**Signature**

.....  
**Date**

.....  
**Position**

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

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

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

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

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

## CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

---

(Bid Number and Description)

in response to the invitation for the bid made by:

---

(Name of Municipality / Municipal Entity)

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

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

(Name of Bidder)

- 1 I have read and I understand the contents of this Certificate;
- 2 I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
- 3 I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
- 4 Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
- 5 For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - i has been requested to submit a bid in response to this bid invitation;
  - ii could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - iii 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;
  - a. geographical area where product or service will be rendered (market allocation)
  - b. methods, factors or formulas used to calculate prices;

- c. the intention or decision to submit or not to submit, a bid;
  - d. 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

## **Objections and complaints**

Persons aggrieved by decisions or actions taken in the appointment of this tender or affected by the entire process of supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action to: The Municipal Manager, Private Bag X 07, Chuenespoort, 0745. To report any fraud; irregularities or corruption related incidents you may call our Anti-Fraud Hotline number: 0800 20 50 53

## ANNEXURE “H”

## GENERAL UNDERTAKINGS BY THE BIDDER

## Definitions

- 1.1.1 **“Acceptable bid”** means any bid, which in all respects, complies with conditions of bid and specifications as set out in the bid document, including conditions as specified in the Preferential Procurement Policy Framework Act (Act 5 of 2000) and related regulations.
- 1.1.2 **“Chairperson”** means the chairperson of the Lepelle-Nkumpi Municipality Bid Adjudication Committee.
- 1.1.3 **“Municipal Manager”** means the Municipal Manager of the Municipality.
- 1.1.4 **“Committee”** refers to the Bid Evaluation and Adjudication Committee.
- 1.1.5 **“Council”** refers to Lepelle-Nkumpi Municipality.
- 1.1.6 **“Equity Ownership”** refers to the percentage ownership and control, exercised by individuals within an enterprise.
- 1.1.7 **“HDI equity ownership”** refers to the percentage of an enterprise, which is owned by individuals, or in the case of a company, the percentage shares that are owned by individuals meeting the requirements of the definition of a HDI.
- 1.1.8 **“Member”** means a member of the Bid Adjudication Committee.
- 1.1.9 **“Service providers”** refers to the bidders who have been successful in being awarded Council contracts.
- 1.1.10 **“SMME’s”** (Small, medium and Micro Enterprises) refers to separate and distinct business entities, including co-operative enterprises and NGO’s, managed by one owner or more, as defined in the National Small Business Act 102 of 1996.
- 1.1.11 **“Contract”** refers to legally binding agreement between Lepelle-Nkumpi Municipality and the service provider.
- 1.1.12 **“Bid”** means a written offer in a prescribed or stipulated form in response to an invitation by the Municipality for the provision of services or goods.
- 1.1.13 **“Contractor”** means any natural or legal person whose bid has been accepted by the Council.
- 1.1.15 **“Closing time”** means the date and hour specified in the bid documents for the receipt of bids.
- 1.1.16 **“Order”** means an official written order issued for the supply of goods or the rendering of a service in accordance with the accepted tender or price quotation.
- 1.1.17 **“Written” or “in writing,”** means handwritten in ink or any form of mechanical writing in printed form.
- 1.1.18 **“Functionality”** means technical capability, financial and other resource availability that the service provider needs, to successfully and efficiently render the service and/or deliver in accordance with the specifications.

**INTERPRETATION:**

In this agreement clause headings are for convenience and shall not be used in its interpretation and, unless the context clearly indicates a contrary intention.

1.2.1 An expression which denotes:-

1.2.1.1 Any reference to any statute, regulation or other legislation or official policy shall be a reference to that statute, regulation or other legislation or national policy as at the signature date, and as amended or re-enacted from time to time;

1.2.2 When any number of day is prescribed, such shall be reckoned exclusively of the first and inclusively of the last day, unless the last day falls on a day which is not a business day, in which case the last day shall be the next succeeding day which is a business day;

1.2.3 Where any term is defined within a particular clause, other than the interpretation clause, that term shall bear the meaning ascribed to it in that clause wherever it is used in this agreement.

I/we hereby tender:

To supply all or any of the supplies and/or to render all or any of the services described in the attached documents {Forms, Schedule(s) and/or Annexure(s)} to the Lepelle-Nkumpi Municipality.

On the terms and conditions and in accordance with the specifications stipulated in the bid documents (and which shall be taken as part of and incorporated into this bid);

At the prices and on the terms regarding time for delivery and/or execution inserted therein.

I/we agree further that:

The offer herein shall remain binding upon me/us and open for acceptance by the Lepelle-Nkumpi Municipality during the validity period indicated and calculated from the closing time of the bid.

This bid and its acceptance shall be subject to the terms and conditions contained in the Forms, Scheduled(s) and/or Annexure(s) attached hereto with which I am /we are fully acquainted.

Notwithstanding anything to the contrary in the Form(s), Schedule(s) and /or Annexure(s) attached hereto:

If I/we withdraw my/our bid within the period for which I/we have agreed that the bid shall remain open for acceptance, or fail to fulfil the contract when called upon to do so, the Lepelle-Nkumpi Municipality may, without prejudice to its other rights, agree to the withdrawal of my/our tender or cancel the contract that may have been entered into between me/us and the Municipality;

In such event, I/we will then pay to the Municipality any additional expenses incurred by the Municipality for having either to accept any less favourable bid or, if new bids have to be invited, the additional expenditure incurred by the invitation of new bids and by the subsequent acceptance of any less favourable bid;

The Municipality shall also have the right in these circumstances, to recover such additional expenditure by set-off against monies which may be due or become due to me/us under this or any other bid or contract or against any guarantee or deposit that may have been furnished by me/us or on my/our behalf for the due fulfilment of this or any other bid or contract;

Pending the ascertainment of the amount of such additional expenditure the Municipality may retain such monies, guarantee or deposit as security for any loss the Municipality may sustain, as determined hereunder, by reason of my/our default.

Any legal proceedings arising from this bid may in all respects be launched or instituted against me/us and if/we hereby undertake to satisfy fully any sentence or judgment which may be obtained against me/us as a result of such legal proceedings and I/we undertake to pay the Lepelle-Nkumpi Municipality legal costs on an attorney and own client;

If my/our bid is accepted that acceptance may be communicated to me/us by letter or facsimiles and that proof of delivery of such acceptance to SA Post Office Ltd or the production of a document confirming that a fax has been sent, shall be treated as delivery to me/us.

The law of the Republic of South Africa shall govern the contract created by the acceptance to this tender.

**T38**

I/we have satisfied myself/ourselves as to the correctness and validity of this tender, that the price(s) and rate(s) quoted cover all the work/items(s) specified in the tender documents and that the price(s)

and rate(s) cover all my/our obligations under a resulting contract and that I/we accept that any mistakes regarding price(s) and calculations will be at my/our risk.

I/we accept full responsibility for the proper execution and conditions defaulting on me/us under this agreement as the principal(s) liable for the fulfilment of this contract.

## ANNEXURE “I”

### GENERAL CONDITIONS OF CONTRACT

#### Definitions

(1) The following terms shall be interpreted as indicated:

**“Closing time”** means the date and hour specified in the bidding documents for the receipt of bids.

**“Contracts”** means the written agreement entered into between the purchaser and the provider, as recorded in the contract form signed by the parties, including all attachments and appendixes thereto and all documents incorporated by reference therein.

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

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

**“Countervailing duties”** are imposed in cases where an enterprise abroad is subsidised by its government and encouraged to market its products internationally.

a) **“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 recognised new product results that is substantially different in basic characteristics or in purpose or utility from its components.

b) **“Day”** means calendar day.

c) **“Delivery”** means delivery in compliance of the conditions of the contract or order.

d) **“Delivery ex stock”** means immediate delivery direct from stock actually on hand.

e) **“Delivery into consignees store or to his site”** means delivered and unloaded in the specified store or depot on the specified site in compliance with the conditions of the contract or order, the provider bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.

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

g) **“Force Majeure”** means an event beyond the control of provider and not involving the provider’s fault or negligence and is 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.

h) **“Fraudulent practice”** means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of 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 bidders of the benefits of free and open competition.

- i) **“GCC”** means the General Conditions of Contract.
- j) **“Goods”** means all of the equipment, machinery, and/or other materials that the provider is required to supply to the purchaser under the contract.
- k) **“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 provider or his subcontractors) and which costs are inclusive of the costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- l) **“Local Content”** means that portion of the bidding price, which is not included in the imported content provided that local manufacturing does take place.
- m) **“Manufacture”** means the products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- n) **“Order”** means an official written order issued for the supply of goods or works or the rendering of a service
- o) **“Project site,”** where applicable, means the place indicated in bidding documents.
- p) **“Purchaser”** means the Lepelle-Nkumpi Municipality.
- q) **“Republic”** means the Republic of South Africa.
- r) **“SCC”** means the Special Conditions of Contracts.
- s) **“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 provider covered under the contract.
- t) **“Written”** or “in Writing” means hand-written in ink or any form of electronic or mechanical writing.

## (2) **Application**

1. These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services (including 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. Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
3. Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

## (3) **General**

1. Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
2. Invitations to bid are usually published in locally distributed news media and in the institution’s website.



**(4) Standards**

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

**(5) Uses of contract documents and information inspection**

1. The provider shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the provider in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only as far as may be necessary for purposes of such performance.
2. The provider shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
3. Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchase and shall be returned (all copies) to the purchaser on completion of the provider's performance under the contract if so required by the purchaser.
4. The provider shall permit the purchaser to inspect the provider's records relating to the performance of the provider and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

**(6) Patent rights**

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

**(7) Performance Security**

1. Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in Special Conditions of Contract.
2. The process of the performance security shall be payable to the purchaser as compensation for any loss resulting from the provider's failure to complete his obligations under the contract.
3. The performance security shall be denominated in the currency of the contract or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

4. 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 A cashier's or certified cheque

7.4 The performance security will be discharged by the purchaser and returned to the provider not later than thirty (30) days following the date of completion of the provider'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 account of the bidder.

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

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

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

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

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

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

8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

## **9 Packing**

9.1 The provider shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the

contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

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

## **10 Delivery and documents**

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

## **11 Insurance**

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

## **12 Transportation**

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

## **13 Incidental services**

13.1 The provider 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 services shall not relieve the provider of any warranty obligations under this contract; and
- e) Training of the purchaser's personnel, at the provider's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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

## 14. Spare parts

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

- a) Such spare parts as the purchaser may elect to purchase from the provider, provided that this election shall not relieve the provider of any warranty obligations under the contract;
- 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

a The provider 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 provider further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of provider, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

b This warranty shall remain valid for twelve (12) months, or any portion thereof as the case may be, after goods 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.

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

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

e If the provider, 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 provider's risk and expense and without prejudice to any other rights which the purchaser may have against the provider under the contract.

## 16. Payment

a The method and conditions of payments to be made to the provider under this contract shall be specified.

b The provider shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilments of other obligations stipulated in the contract.

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

d Payments will be made in Rand unless otherwise stipulated.

## **17. Prices**

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

## **18. Increase/ decrease of quantities**

- 18.1 In cases where the estimated value of the envisaged changes in purchase does not exceed 15% of the total value of the original contract, the contractor may be instructed to deliver the revised 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. Contract amendments**

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

## **20. Assignment**

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

## **21. Subcontracts**

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

## **22. Delays in the provider's performance**

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

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

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

21.4 Except as provided under GCC clause 25, a delay by the provider in the performance of its delivery obligations shall render the provider liable to the imposition of penalties, pursuant to GCC clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

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

## **23. Penalties**

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

## **24. Termination for default**

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

- If the provider 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
- If the provider fails to perform any other obligation(s) under the contract;
- If the provider, in the judgement of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract

24.2 In the event of the purchaser terminating 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 provider shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the provider shall continue performance of the contract to the extent not terminated.

## **25. Anti-dumping and countervailing duties and rights**

25.1 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 rights are increased in respect of any dumped or subsidised import, the Municipality 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 are abolished, or where the amount of such provisional payments or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the provider to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the provider in regard to supplies or services which he delivered or rendered, or is to be delivered or rendered in terms of the contract or any other contract or any other amount which may be due to him.

## **26. Force Majeure**

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

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

## **27. Termination for insolvency**

27.1 The purchaser may at any time terminate the contract by giving written notice to the provider if the provider becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the provider, 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.

## **28. Settlement of disputes**

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

28.2 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 provider may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

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

28.4 Notwithstanding any reference to mediation and/or court proceedings herein:

- 1 The parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
- 2 The purchaser shall pay the provider any monies due to the provider for goods delivered and / or services rendered according to the prescripts of the contract.

## **29. Limitation of liability**

29.1 Except in case of criminal negligence or wilful misconduct, and in the case of infringement pursuant to clause 6:

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

## **30. Governing language**

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

### **31. Applicable laws**

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

### **23. Notices**

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

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

### **24. Taxes and duties**

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

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

24.3 No contract shall 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.

### **25. Transfer of contracts**

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

### **26. Amendment of contracts**

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



## ANNEXURE “I”

### **SPECIAL CONDITIONS OF THE CONTRACTS:**

1. It is emphasized that a contract will not necessarily result from the responses received to this request for proposal. LEPELLE-NKUMPI MUNICIPALITY reserves the right to enter into negotiations with any one or more of the respondents, should it be decided to proceed with the contract.
2. LEPELLE-NKUMPI MUNICIPALITY reserves the right not to evaluate and /or consider any proposal that does not comply strictly with the requirements as set out in this request.
3. LEPELLE-NKUMPI MUNICIPALITY reserves the right to make a decision/ selection based solely on the information received in the proposal to this request.
4. The bid price must remain valid for a period of 90 days calculated from the closing date.
5. The employer will not compensate the bidder for any costs incurred in the preparation and submission of a bid offer, including the costs to demonstrate that aspects of the offer satisfy requirements.
6. The Municipality may accept or reject any variation, deviation, bid offer or alternative bid offer, and may cancel the bid process and reject all bid offers at any time before the formation of a contract. The employer shall not accept or incur any liability to a bidder for such cancellation and rejection but will give written reasons for such action upon written request to do so.
- 7. The Municipal Manager may reject the bid or quote of any person if that person or any of its directors has:**
  - i. Failed to pay municipal rates and taxes or municipal service charges and such rates, taxes and charges are in arrears for more than three months;
  - ii. Failed, during the last five years, to perform satisfactorily on a previous contract with the Lepelle-Nkumpi Municipality or any other organ of State after written notice was given to that bidder that performance was unsatisfactory;
  - iii. Abused the supply chain management system of the Municipality or have committed any improper conduct in relation to this system;
  - iv. Been convicted of fraud or corruption during the past five years;
  - v. Willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
  - vi. 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) or has been listed on National Treasury's database as a person prohibited from doing business with public sector.

**8. The Municipal Manager may cancel a contract awarded to a person if:**

- The person committed a corrupt or fraudulent act during the procurement process or in the execution of the contract, or
- An official or other role player committed any corrupt or fraudulent act during the procurement process or in the execution of the contract that benefited that person.

No bids will be considered from persons in the service of the state (as defined in regulation 1 of the Local government: municipal supply chain management regulations)