



## **TERMS OF REFERENCE**

***FOR***

## **THE PROVISION OF SHORT-TERM INSURANCE FOR A PERIOD OF THIRTY-FOUR MONTHS**

**Closing Date: 24 July 2023**

**Closing Time: 11h00**

Information Contact: Ms Nomakorinte Wayiza

Tel: 032 437 9436/ 032 946 1256

E-mail: [Nomakorinte.Wayiza@ilembe.gov.za](mailto:Nomakorinte.Wayiza@ilembe.gov.za)

## SERVICE PROVIDER TERMS OF REFERENCE

*It is the intention of Enterprise iLembe to enter into a formal contract with a service provider or consortium to provide the services described herein. These Terms of Reference and the bidder's proposal will form the basis of the contract.*

### Section 1: Details

<b>Province:</b>	KwaZulu-Natal
<b>Agency:</b>	Enterprise iLembe Economic Development Agency
<b>Project Name:</b>	The Provision of Short-Term Insurance for a period of Thirty-Four months.

### Section 2: Background

The iLembe District Municipality is situated on the east coast of South Africa, in the KwaZulu-Natal Province. iLembe is one of the 11 district municipalities of KwaZulu-Natal province in South Africa and the smallest District Municipality in the province, with a total population of just over 657 000. iLembe is located between two of Africa's busiest ports, Durban and Richards Bay, iLembe is therefore well situated not only to local but also international markets. Despite its strategic location, iLembe faces numerous economic challenges such as the high levels of poverty in the rural inland areas, which contrasts with rapid development along its coastal regions. The District has been proactive in trying to develop broad based interventions to facilitate local economic development in response to its challenges of high rates of unemployment and correspondingly high levels of poverty.

#### **Enterprise iLembe:**

Enterprise iLembe is the wholly owned entity of iLembe District Municipality as established in terms of section 12 of the Municipal Structures Act, 1998 (Act No.117 of 1998) in December 2000. In terms of powers and functions, Enterprise iLembe is responsible for the broad district mandates of local economic development, tourism, agricultural development, marketing, and investment promotion within the jurisdiction of iLembe District, which includes KwaDukuza, Mandeni, Maphumulo and Ndwedwe Local Municipalities.

## **Section 3: Scope of Work**

### **3.1 EXECUTIVE SUMMARY**

The current short-term insurance cover for the Entity is under iLembe District Municipality and is set to expire on the 31<sup>st</sup> August 2023. In terms of legislation, to procure (following competitive bidding process) short term insurance policy for the ensuing period of thirty-four (34) months, the entity must appoint a suitably qualified and experienced Short-Term Insurance service provider to maintain its short-term insurance portfolio in a manner that is cost effective. Enterprise iLembe therefore wishes to appoint a suitable and qualifying service provider for the provision of short-term insurance policy cover for the entity for the period of 34 months effective from the 1<sup>st</sup> September 2023. The successful bidder will be required to enter into a contract with Enterprise iLembe.

### **3.2 MINIMUM PARTICIPATION CRITERIA**

- Registration of the underwriters;
- Claims procedures and turnaround times;
- Proximity of the nearest regional office;
- Period of existence;
- Profile of existing clientele;
- Statistics on total claims versus processed successful conclusions;
- Value of IGF guarantee.

### **3.3 REQUIREMENT FROM SERVICE PROVIDERS**

- Submit suggestions of proposed portfolio structure including deductibles.
- Detail of your company's infrastructure, shareholding and organization.
- A suggested service plan including contingency plan in the event of service team crisis.
- Detail of the experience of the business particularly in the municipal/public sector.
- Details of existing local government clients presently handled by the service team with contact details and date of appointment.
- Details of the designated main branch where the entity's portfolio will be handled.
- Portfolio Manager
- After hours service

### 3.4 ENTERPRISE ILEMBE FINANCIAL AND RELATED INFORMATION

**3.4.1 VAT Registration Number:** 4610225614

**3.4.2 Nature of Services Required: Please tick (Yes/ No) if cover will be provided for each item**

#	DESCRIPTION	YES	NO	COVER VALUE
1	BUILDINGS COMBINED			R 3 855 002
2	OFFICE CONTENTS			R1 154 884
3	BUSINESS ALL RISK			
4	MOTOR FLEET			R1 548 783
5	INTANGIBLE ASSETS			R21 500
6	FIDELITY			
7	DIRECTORS			R5 000 000
8	MACHINERY AND EQUIPMENT			R 2 312 735
9	STOCK (INVENTORY)			R90 000
10	GROUP PERSONAL ACCIDENT - Death (7 Board Members) (PER PERSON)			
11	STATED BENEFITS (30 staff)(3 Times Annual Earning) (24 hours)			R20 573 000
12	ELECTRONIC EQUIPMENT			R1 833 054
13	PUBLIC & EMPLOYERS LIABILITY			R2 000 000
14	GOODS IN TRANSIT			
15	BUSINESS INTERRUPTION			
16	TRAVEL			On request
17	PUBLIC EVENTS			On request
18	THEFT			
19	ACCIDENTAL DAMAGE COVER			
20	AGRICULTURAL TUNNELS / IMPLEMENTS			R15 853 546

#	DESCRIPTION	YES	NO	COVER VALUE
21	CONTRACTOR'S ALL RISKS			
22	MACHINERY/PLANT BREAKDOWN			
23	EXCESS WAIVER			
24	<b>SPECIAL RISK COVER</b>  (To provide for the loss of or damage to a board member's property, assets, life or disability, excluding business property, arising from any riot, civil unrest, strike or public disorder)			
25	<b>CYBERCRIME</b>  (To cover any crime that involves a computer and a network)			

*Enterprise iLembe reserves the right to add/ remove items for insurance cover as and when the need arises during the term of contract.*

## Section 4: Questionnaire to be completed by Bidders

The purpose of the following questionnaire is to provide the entity with the information required to assess the ability of potential suppliers to meet the requirements of the Short-Term Insurance Bid. This document therefore seeks to determine quality issues and methodologies.

### 4.1 GUIDELINES FOR COMPLETION OF THE QUESTIONNAIRE BELOW:

Suppliers must respond to the questions by entering the answers required. In some cases it will be a simple Yes or No indicated by a 'Yes or No' indicator. In the case of an address simply write it in the space provided. Do not complete the grey boxes.

**All questions must be completed.**

The 'Comments' section can also be used for any additional information to responses.

Supporting documentation can also be attached where a response requires lengthy explanation, please use the 'X Ref' (Cross Reference) section to identify which document relates to any particular

section. Please Cross Reference to a clearly numbered attached document. To be clearly numbered the document must contain a 1cm digit in the top right hand corner ringed in red ink. This digit must correspond to the one entered in the X Ref column. Any new additional information or comments can be attached in this way in the column immediately to the right of 'comments'

You will also find an MBD forms pack with this questionnaire. All forms must be completed in full, signed (where required) and returned by the closing date and time of the bid.

## 4.2 Questionnaire

All bidders are required to fill out the following questionnaire:

Question		Response	X Ref <sup>1</sup>
1	Please indicate <ul style="list-style-type: none"> <li>Your name or your company's full name &amp; address</li> <li>Your identification number or company or other registration</li> <li>Your tax reference number and VAT registration number (if any)</li> </ul>	Please answer in Comments box below	
	Comments		
2	Please state the value of your IGF ( <b>Intermediaries Guarantee Facility</b> ) Guarantee.	Please answer in years box below	

Question	Response	X Ref <sup>1</sup>
	<div>Comments</div> <div>Amount in Rands....</div>	
3	Please state whether your organization is a member of a broker control body ( <b>Financial Services Board</b> - Proof of membership <b>must</b> be attached)	Please answer in Comments box below
	<div>Please Comment here</div>	
4	Please state the number of years' experience your business has rendered the short term insurance services to local government.	Please answer in Comments box below

Question		Response	X Ref <sup>1</sup>
	Comments		
5	Please supply a complete list of municipal customers and details of at least two reference sites in the RSA <sup>2</sup> . Please indicate permission for this entity to approach the reference sites for visits or references in the response box.	Yes or No .....	
	Comments		
6	For the reference sites above please indicate: <ul style="list-style-type: none"> <li>• The original date of contract;</li> <li>• Whether the contract is complete or ongoing. The actual cessation date;</li> <li>• Cost under or over-run (as a percentage of original prices).</li> </ul>	Please answer in Comments box below	
	Comments		

---



Question		Response	X Ref <sup>1</sup>
7	Please detail your response time/ turnaround time in processing claims	Please answer in Comments box below	
	Comments		
8	Describe your customer relations management system for contract issues.	Please answer in Comments box below	
	Comments		
9	<p>Please state (if Enterprise iLembe has a query during the contract), who is:</p> <ul style="list-style-type: none"> <li>• The point of contact for the entity</li> <li>• Their Working hours</li> <li>• Their position in the organisation</li> <li>• Their years of experience</li> <li>• Guaranteed response time</li> </ul>	Please answer in Comments box below	
	Comments		
10	Please state the location of your nearest regional office	Please answer in Comments box below	

Question		Response	X Ref <sup>1</sup>
	Comments		
11	Please state the period of existence of the nearest regional office	Please answer in Comments box below	
	Comments		
12	Please detail in percentage form the total number of claims versus the number of processed successful claims	Please answer in Comments box below	

Question		Response	X Ref <sup>1</sup>
	Comments		

## Section 5: Deliverables & Ceiling Costs

Please note that this is a thirty-four (34) month appointment and the performance of the service provider will be measured on a regular basis.

## Section 6: Documentation and Confidentiality

Information and data which is generated in the context of the project; may not be made available to any third party without prior permission of the Chief Executive Officer and shall remain the property of Enterprise iLembe. All project material shall be presented in both hard copy and electronic format.

## Section 7: Non - Appointment

Enterprise iLembe has a right not to make an appointment should it find that proposals received do not meet the specified criteria / requirements and is not compelled to accept the lowest quotation.

## Section 8: Tender Requirements

Please note that the validity period of this bid is 90 days from the date of bid closure.

No briefing session will be held for this tender.

### Submission of Proposals

Proposals must be submitted in sealed envelopes endorsed **“PROPOSAL FOR: “PROVISION OF SHORT TERM INSURANCE”** and must be hand delivered and placed in the tender box at **Sangweni Tourism Centre, Cnr. Link Road & Ballito Drive, Ballito** and addressed to;

**The Chief Executive Officer  
Enterprise iLembe,  
Sangweni Tourism Centre,  
Cnr Link Road & Ballito Drive.**

The closing date for receipt of proposals is on or before **24 July 2023 at 11h00.**

**Please note the office hours of Enterprise iLembe are as follows:**

Monday – Thursday (07h30 to 16h00)

Friday (07h30 to 15h00)

Please note: All proposals must be hand-submitted to the tender box, and incomplete, faxed, emailed applications and applications received after the closing date and time **WILL NOT** be considered. Bidders using a courier service to deliver documents are responsible for ensuring that such delivered documents are physically deposited in the tender box.

*It is **compulsory** for bidders to ensure that their proposals are bound or stapled securely together. If the proposal is too thick to be bound or stapled, bidders are allowed to split the document into sections, however, each section must be bound or stapled and must be individually labelled with the name of the bidder. Under NO circumstances will loose submissions be accepted.*

***Enterprise iLembe does not bind itself to accept the lowest or any of the bids and reserves the right to accept the whole or part of the bid proposal.***

No awards will be made to bidders who are in service of the state as per the CSD verification that will be performed during the course of the bid evaluation process.

## Section 9: Adjudication Criteria

### SCM Policy

Please note that the validity period for this tender is 90 days from date of tender closure.

Bids will be evaluated in terms of the SCM Policy of Enterprise iLembe as follows:-

- **Mandatory Evaluation-** All proposals will be evaluated in terms of the mandatory (compulsory) documents/ submissions as set out in these terms of reference. Failure of the service provider to submit any or all of the mandatory requirements will result in disqualification from further evaluation. Failure to complete, sign and submit mandatory documentation (e.g., the MBD forms) will result in disqualification of your proposal in its entirety.
- **Functionality Evaluation –** All proposals that meet the mandatory requirements will then be evaluated in terms of functionality as specified in section 9.2, below.
- **Price Evaluation-** As specified in the PPPFA (No.5 of 2000) read together with the 2022 PPPFA Regulations and the 2011 B-BBEE Regulations as specified in section 9.3 below.

**Any proposal that fails to achieve a minimum of 70 points of the total of 100 and a score greater than zero in categories marked with an asterisk (\*) on the functionality evaluation shall not be evaluated further and will be deemed to be non-responsive.**

### 9.2 Functionality Evaluation

**NB.:** The information provided by the bidder in section 3 (Questionnaire & Supporting Documents (if applicable)) will be used to award points as per the table below:

#	Competency	Maximum Points
1	<b>Value of the IGF (Intermediaries Guarantee Facility) Guarantee</b> <ul style="list-style-type: none"><li>• R50 Million and above – 20 points</li><li>• Less than R50 Million – 10 points</li><li>• No submission – 0 points</li></ul>	<b>20</b>
2	<b>Membership of a National Broker Control Body (submit proof)</b> <ul style="list-style-type: none"><li>• Bidder is a member – 20 points</li></ul>	<b>20</b>

	<ul style="list-style-type: none"> <li>Bidder not a member – 0 points</li> </ul>	
3	<b>Turn Around Time in the Processing of Claims</b> <ul style="list-style-type: none"> <li>Within 30 Days – 10 points</li> <li>From 31- 60 Days – 5 points</li> <li>Over 60 Days – 0 points</li> </ul>	<b>10</b>
4	<b>Proximity of the nearest regional office</b> <ul style="list-style-type: none"> <li>Business Operations within the KZN province – 10 points</li> <li>Business Operations within RSA – 5 points</li> <li>Business Operations outside country – 0 points</li> </ul>	<b>10</b>
5	<b>Number of Total Claims versus successful claims ( please include the summary of this statistic in your proposal)</b>  Above 80% up to 100% - 12 points  From 70% to 80% - 6 points  Below 70% - 0 points	<b>12</b>
6	<b>Number of years the bidder has rendered the Short Term Insurance service to municipalities/ municipal entities</b>  5 years and above – 20 points  3 - 4 years relevant experience – 15 points  Below 3 years – 5 points	<b>20</b>
7	<b>Performance at two Reference Sites (Please submit two signed reference letters, on the referees letterhead to claim points for this)(*)</b>  Outstanding performance/ Excellent service – 8 points  Average performance/ Satisfactory service - 4 points  Inadequate performance/ Poor service – 0 points	<b>8</b>
	<b>Total</b>	<b>100</b>

**Only service providers who achieve a total of 70 points of the total of 100 and a score greater than zero in categories marked with an asterisk (\*) on the functionality evaluation shall not be evaluated further and will be deemed to be non-responsive.**

### 9.3 Price Evaluation

**Bidders wishing to claim a maximum of 20 preference points in terms of Specific Goals must attach the following:**

1. Valid B-BBEE certificate/ affidavit (Level 3 or above)- 20 points

## Section 10: Documents related to Tender

1. Annexure A: Compulsory Information Sheet (Page 27, below)
2. Annexure B: Compulsory Pricing Sheets (Page 28-30, below)
3. All pages of this Terms of Reference to be filled in (where required) and initialed by the authorized signatory (compulsory)
4. Service Providers Proposal (Bound/ Stapled, with cost implications) Compulsory
5. Registration details & Compliance
  - All interested bidders must be registered on the Central Supplier Database for Government. Proof of registration on the CSD must be included in the bidder's proposal (i.e. either the CSD Supplier Number or the CSD Report). **(Compulsory). Please visit <https://secure.csd.gov.za/> to register on the Central Supplier Database.** The CSD will be used to verify tax compliance status of the bidder. NB: Bidders who are in service of the state as per CSD will be disqualified from further evaluation unless supporting documents proving the supplier is not a government employee is submitted as part of the proposal.
  - All bidders must submit a Tax Compliance Status (TCS) Pin Number (Compulsory). In line with the latest circular from SARS (South African Revenue Services), bidders can now submit a **UNIQUE PIN** to enable the entity to verify the bidder's tax compliance status online via E-filing or via the CSD. No awards will be made to bidder's whose tax matters are not in order and who fail to rectify their tax status at the time of adjudication of the bid.
  - Municipal Bidding Documents (MBD) which can be found from page 31 of this document must be completed in full, signed and submitted **(Please note that SBD forms and partially completed forms will not be accepted):**
    - MBD 1 (Part A & B), **(Compulsory).**
    - MBD 4, **(Compulsory).**
    - MBD 6.1- relevant to the 2022 PPPFA Regulations (failure to indicate the number of points being claimed, on page 39 of this document, and the submission of the

supporting documents will result in no points being awarded in the 80/20 preference points calculation), **(Compulsory)**.

- MBD 8, **(Compulsory)**.

- MBD 9, **(Compulsory)**.

- If the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements for the past three years or since establishment if established during the past three years
- All documents as per the competency table on page 13-14 of this document.
- Bank confirmation letter
- Company registration documents showing all active members/ directors/ shareholders/ owners etc.**(Compulsory)**
- Power of Attorney/ Signing authority where applicable
- B-BBEE Verification Certificate/ Affidavit (Please attach the approved B-BBEE accreditation certificate/ affidavit.)

**Points to note regarding the B-BBEE Status Level:**

- Bidders other than EMEs must submit valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- A trust, consortium, or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.

**The following rules are applicable ONLY to consortia / joint ventures / sub-contracting and MUST be adhered to:**



- In bids where Consortia / Joint Ventures / Sub-contractors are involved; each party must **submit separate** MBD 4 forms, B-BBEE Certificate/ Affidavits, SARS tax compliance status (TCS) pins AND Central Supplier Database (CSD) registration number (**compulsory**).
- In addition, the relevant agreement between all parties involved, which clearly outlines the roles and responsibilities specific to this tender must be submitted (**compulsory**).
- A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an Exempt Micro Entity that has the capability and ability to execute the sub-contract.
- A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

## **TERMS OF REFERENCE**

### **PART B: SPECIAL CONDITIONS OF CONTRACT**

#### **1. DEFINITIONS AND TERMS**

##### **Scope**

The purpose of this section is to define some of the terms used in this document.

##### **Definitions**

1. In these documents the following words or expressions shall have the meanings hereby assigned to them, except where the context otherwise requires:
  - (a) “Insurance Broker” means a qualified independent, professional insurance agent who represents the interests of the buyer / insured party, rather than the insurance company, and tries to find the buyer / insured party the best insurance policy by comparison shopping;
  - (b) “Insurance Underwriter” means a registered financial professional that evaluates the risks of insuring a particular person or asset and uses that information to set premium pricing for insurance policies;
  - (c) “Contract” means an agreement entered into between the insurance broker and Enterprise iLembe where the insurance broker has agreed to render short term insurance cover as

specified in the bid specifications. Such a contract will include all appendices to the main document and must conform to the bid specification;

- (d) “Employer” means the Enterprise iLembe or any person authorized by the Board to act on its behalf;
- (e) “Bidder” means a person or persons, partnership, company or firm who herewith submits a bona fide bid / proposal for the provision of short term insurance cover to the entity;
- (f) “Enterprise iLembe / The entity” means Enterprise iLembe Economic Development Agency.
- (g) “Special Risk Cover” means insurance cover to provide for the loss of or damage to a board members’ property, assets, life or disability, excluding business property, arising from any riot, civil unrest, strike or public disorder.

- 2. Word in the singular shall also include words in the plural and vice versa and words denoting the male gender shall be interpreted as also referring to the female gender where the context permits.

## **2. BID CONDITIONS AND RULES**

### **2.1 GENERAL**

The Bid is in line with the Municipal Finance Management Act (MFMA). Also the bid will be conducted in line with the requirements of the Enterprise iLembe Supply Chain Management Policy.

### **2.2 CAPABILITIES AND EXPERIENCE OF BIDDERS**

Bidders are required to provide any information regarded necessary to demonstrate their conformance to the criteria set out in the specifications and also any other information to demonstrate their capabilities, experience and track record.

Bidders are required to submit, together with bid documentation, latest sets of their audited annual financial statements for 3 years.

### **2.3 BID RULES**

#### **2.3.1 FORM OF BID**

The certificates, schedules and forms required by this bid shall be signed by the bidder in black ink. Where the space provided in the bound document is insufficient, separate schedules may be drawn up in accordance with the given formats. These schedules shall then be bound together with a suitable contents page and submitted with the bid documents. All such schedules must be signed by the bidder in black ink.

### **2.3.2 SIGNING OF BID**

The bid must be signed by a person who is duly authorized to do so. A bid submitted by a corporation must bear the seal of the corporation, which must be attested by its secretary. Confirmation of the authorized signatory should be furnished in the format as indicated in MBD 9.

Bids submitted by joint ventures of two or more firms must be accompanied by the document of formation of the joint venture, authenticated by a notary public or other official deputed to witness sworn statements, in which is defined precisely the conditions under which the joint venture will function, its period of duration, the persons authorized to represent it and obligate it, the participation of the several firms forming the joint venture, and any other information necessary to permit a full appraisal of its functioning.

### **2.3.3 BID ALL-INCLUSIVE**

The bidder must allow in the bid for all labour, material, equipment, all obligatory taxes, all travel, accommodation and subsistence, levies and everything necessary for the execution and completion of the contract in accordance with the bid documents.

### **2.3.4 ALTERATIONS TO BID DOCUMENTS**

No unauthorized alteration or addition shall be made to the form of bid, to the pricing schedule of services to be rendered or to any other part of the bid documents. If any such alteration or addition is made or if the pricing schedule of services to be rendered, or other schedules or certificates are not properly completed, the bidder will be disqualified. The bidder shall request the entity, at as early a date as possible during the bid stage, to clarify any point which is difficult to interpret. Should it be found that a point in question is significant; the entity will inform all bidders as early as possible.

### **2.3.5 OWNERSHIP AND CONFIDENTIAL NATURE OF DOCUMENTS**

All documents relating to the bid shall remain the property of the Enterprise iLembe and may not be reproduced, sold or otherwise disposed off. All recipients of the bid documents (whether or not a bid is submitted) shall treat the details of the documents as confidential.

### **2.3.6 BID ACCEPTANCE**

Enterprise iLembe does not bind itself to accept the lowest or any other bid.

### **2.3.7 BID WITHDRAWAL OR MODIFICATION**

Any bidder has the right to withdraw, modify or amend his bid after it has been delivered, provided that the request for such withdrawal, modification or correction, together with full details of such modification or correction is received at the address given for the submission of the bid in writing or by telefax before the closing date and hour which is set for the receipt of the bids. The original bid as amended by such written or telefax communication will be considered the bidder's offer.

### **2.3.8 CANCELLATION OF CONTRACT**

2.3.8.1 If the entity is satisfied that any person (being an employee, partner, director or shareholder of the bidder or a person acting on behalf of or with the knowledge of the bidder), firm or company:

- (a) is executing a contract with the entity unsatisfactorily;
- (b) has offered, promised or given a bribe or other gift or remuneration to any officer or employee in the Public Service in connection with obtaining or executing a contract;
- (c) has acted in a fraudulent manner or in bad faith or in any other unsatisfactory manner in obtaining a contract with any government department, provincial administration, public body, company or person, or that he has managed his affairs in such a way that he has in consequence thereof been found guilty of a criminal offence;
- (d) has approached an officer or employee in the Public Service before or after bids have been called for, to influence the award of the contract in his favour;
- (e) has withdrawn or amended his bid after the time set for the receipt and opening of bids;
- (f) when advised that his bid has been accepted, has given notice of his inability to execute or sign the contract or to furnish any security required;

2.3.8.2 If the entity is satisfied that any person, firm or company is or was a shareholder or a director of a firm or company which, in terms of sub-rule 2.3.8.1, is one from which no bid will be favourably considered for a specified period, the government may also decide that no bid from such person, firm or company shall be favourably considered for a specified period.

2.3.8.3 Any restriction imposed upon any person, firm or company shall, for the purpose of this rule, apply to any other undertaking with which such person, firm or company is actively associated. The expression "person, firm or company" shall include an authorized employee or agent of such a person, firm or company.

2.3.8.4 Decisions of the entity in terms of sub-rule 2.3.8.1 to 2.3.8.3 and any revocation or variation of such decisions may be communicated to the Accounting Officer.

### **2.3.9 BID RULES ARE BINDING**

The bid rules as well as the instructions given in the official bid notice shall be binding on all bidders submitting bids for the service or services stated in the bid documents.

### **2.4 QUERIES REGARDING THE BID**

2.4.1 Any queries regarding this bid which the bidders may wish to raise, shall be submitted in writing to the officials mentioned in the bid notice (advert/ terms of reference).

- 2.4.2 No requests for information shall be made to any other person or place and in particular not to the existing providers of these services.

## **2.5 SUBMISSION OF BID**

- 2.5.1 Completed document with supporting Annexures shall be packaged, sealed, marked and submitted strictly as required in the bid notice.
- 2.5.2 Delivered by hand, the sealed envelope must be deposited in the bid box at Sangweni Tourism Information Centre, Corner Ballito Drive and Leonora Rd 4450.
- 2.5.3 Bids must reach the above address not later than the closing time and date given in the notice.

## **2.6 DISQUALIFICATION OF BID**

The bidder who has not conformed to these rules and the instruction reflected in the official bid notice may be disqualified at the discretion of Enterprise iLembe.

## **2.7 VALIDITY PERIOD**

The bid shall remain valid and binding for a period of 90 (Ninety) days effective from the closing date of this bid.

## **2.8 LEGAL ASPECTS**

### **2.8.1 LAW**

The laws of the Republic of South Africa shall be applicable to each contract created by the acceptance of a bid and each bidder shall indicate a place in the Republic and specify it in his bid as his domicilium citandi et executandi where any legal process may be served on him.

### **2.8.2 JURISDICTION**

Each bidder shall undertake to accept the jurisdiction of the law courts of South Africa.

### **2.8.3 LANGUAGE OF CONTRACT**

The bid documents have been drafted in English and any contract which originates from the acceptance of the bid will be compiled, interpreted and construed in English.

### **2.8.4 DELEGATION OF AUTHORITY**

The Board may delegate any powers vested in them by virtue of these rules to any officer or employee of the entity.

## **3. BID SPECIFICATIONS**

### **3.1 PURPOSE**

The purpose of this document is to set out short term insurance service requirements to meet the needs of Enterprise iLembe.

### **3.2 GENERAL**

Bidders must be able to demonstrate their competency to provide short term insurance services to address the needs of Enterprise iLembe, as well as working closely with the officials of the entity, in particular the office of the Chief Executive Officer.

### **3.3 SALIENT FEATURES**

Bidders must demonstrate the financial stability of their organization in writing and submit copies of the latest published (audited) 3 year financial statements. The following specific information should be provided if not furnished in the financial statements:

- An indication as to whether the company or the institution is listed on the Stock Exchange;
- Majority shareholders (shareholding in excess of 51%);
- Details of the organization or group structure.

### **3.4 Bidders must be able to provide cover on the items below, should this be required by the**

**Entity:**

#### **3.4.1 EMPLOYEE LIABILITIES**

A cover to Enterprise iLembe arising from numerous threats and its management, including security litigation, employment practices, fiduciary or crime related loss, accidental injury or death and fiduciary liabilities.

##### **(a) Fidelity Guarantee**

To cover direct financial loss due to acts of fraud, forgery, alteration, robbery and safe burglary, computer fraud or dishonesty by employees resulting in dishonest personal financial gain.

##### **(b) Directors**

To protect the claims made against the directors of Enterprise iLembe, for an example, if a director ceases to operate and there are outstanding obligations from the third parties.

##### **(c) Public Liability / Employer's Liability**

To protect Enterprise iLembe against claims involving illness, injury, death, damages to third party property, including but not limited to:

- Defamation;
- Legal defense costs;

- Errors and omissions;
- Defective workmanship; and
- Service delivery.

### **3.4.2 ASSETS**

To cover all tangible property of every description belonging to the entity or which the entity has any propriety and pecuniary interest against loss or damage caused by fire or allied perils including electronic breakdown.

#### **(a) Electronic Equipment**

To cover electronic business equipment including computers, laptops, cellphones, licensed software, etc.

#### **(b) Stock (Inventory)**

To cover goods / materials that form party of the Entity's business activity.

#### **(c) Stock / goods in transit**

To cover on transportation of stock anywhere in South Africa.

#### **(d) Motor Fleet**

Fully comprehensive cover on all motor vehicles owned, hired, leased, borrowed or used by the insured including vehicles held in trust or in the custody or under control or care of the insured, excluding those vehicles whose lease premiums include insurance .

#### **(e) Money**

A cover on any negotiable financial instrument including cash, cheques, credit card vouchers, etc.

#### **(f) Buildings**

A cover against property terrorism and sabotage, fire, explosion, earthquake, power surges or any other event that may be defined as an 'act of God'.

Buildings incorporates all structures and erections including fixtures and fittings therein, thereto, or thereon, boundary walls, gates, posts and fences, belonging thereto and all contents contained in any building, structure and erection including underground elements and/or parts.

#### **(g) Manufacturing Plant**

A cover against property terrorism and sabotage, fire, explosion, earthquake, power surges or any other event that may be defined as an 'act of God'.

Manufacturing plant encompasses water tanks, tunnels, reservoirs, pump rooms and irrigation systems, boreholes, electrical cables and all related equipment and/or machinery items.

#### **3.4.3 BUSINESS INTERRUPTION**

To cover for financial losses suffered following interruptions of the entity's business activities. This should include but not limited to, fixed expenses, operating expenses and additional working expenses.

#### **3.4.4 TRAVEL**

To cover for the Board Members or employees of Enterprise iLembe whilst travelling on international and/or local journeys for business purposes. This should include but not limited to medical and related expenses as a result of illness or injury or liability.

#### **3.4.5 PUBLIC EVENTS**

A cover that indemnifies Enterprise iLembe for damages which the Entity (as an event organizer), shall become legally liable to pay consequent upon accidental death of or bodily injury to or illness of any person or accidental loss or physical damage to occurring within the territorial limits during the period of insurance in the course of or in connection with the event.

#### **3.4.6 OFFICE CONTENTS**

A cover against loss or damage of office contents within all premises permanently or temporarily owned or occupied by the entity. Such contents include but is not limited to, general contents, locks and keys, documents, legal liability documents, media storage devices, etc.

#### **3.4.7 THEFT**

To provide for a cover against theft of any property, physical or intangible that is owned either permanently or temporarily by the entity including infrastructural property remotely located but in securely fenced areas.

#### **3.4.8 CONTRACTORS ALL RISKS**

A comprehensive cover for damages to property, such as damage to buildings and other structures being constructed or to the existing building in which the construction is being carried out and liability for third party claims for injury and death or damage to third party property occurring during the construction, on site.

#### **3.4.9 MACHINERY/PLANT BREAKDOWN**



A cover for sudden accidental & unforeseen physical loss of or damage to machinery & the plant resulting from, amongst other things, mechanical/electrical breakdown, either whilst such machinery or plant is in operation, at rest, or during resting or re-erection, at the insured's premises.

### 3.4.10 OTHER

Provision of comprehensive insurance cover as generally defined for insurance policy purposes for the following:

- Business All Risks;
- Stated Benefits (30 Employees and 07 Board members);
- Group personal accident (Board Members – 07

## 3.5 GENERAL

### 3.5.1 STATISTICAL INFORMATION

The following data is provided to assist prospective bidders with the formulation of accurate estimates of insurance cover:

#### 3.5.1.1 Value of Fixed Assets

ASSET TYPE	FAR Total Cost
Buildings	R 3 855 002
Motor Fleet	R 1 548 783
Manufacturing Plant	R 15 853 546
Electronic Equipment: Computer	R1 833 054
Heritage Assets	
Machinery & Equipment	2 312 735
Furniture & Equipment	1 154 884
Land	0
Intangible	R21 500
<b>Total Fixed Assets</b>	<b>R 23 862 682</b>
<b>Electronic Equipment: Cell Phones and Tablets</b>	<b>R283 000</b>

#### 3.5.1.2 Payroll Information

Number of permanent employees	29
Number of contract workers	1
Number of Board Members	07
<b>Total</b>	<b>36</b>

### **3.5.2 VARIATIONS**

The entity reserves the right to amend by eliminating or adding items insured depending on the nature of circumstances at any given point in time. Such amendment will automatically result in variation of the contract but only as regards the nature of items insured and the value.

## ANNEXURE A – MANDATORY INFORMATION

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

Contact Person/s: \_\_\_\_\_

Contact Number/s: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Details	Please indicate where this information can be found in your proposal
MEMBERSHIP OF A NATIONAL BROKER CONTROL BODY	
TCS PIN	
PROOF OF REGISTRATION ON CSD	
PRICE ESTIMATE (ALL INCLUSIVE)	Year 1= R _____  Year 2= R _____  Year 3= R _____  TOTAL YEARS 1-3 = R _____

**Above information certified correct:**

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

Name: \_\_\_\_\_

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

**NB: By signing this annexure, the bidder accepts the clauses contained within these Terms of Reference.**

## ANNEXURE B – PRICING

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

### NATURE OF SERVICES REQUIRED & PRICING

	NATURE OF SERVICES REQUIRED	Reference to Section	YES	NO	UNIT COST (VAT EXCLUSIVE)	VAT	EXCESS AMOUNT (Please do not include percentages)	EXCLUSIONS
1.	BUILDINGS COMBINED	3.4.2.1						
2.	OFFICE CONTENTS	3.4.2.2						
3.	BUSINESS ALL RISK	3.4.2.3						
4.	MOTOR FLEET	3.4.2.4						
5.	INTANGIBLE ASSETS	3.4.2.5						
6.	FIDELITY	3.4.2.6						
7.	DIRECTORS	3.4.2.7						
8.	MACHINERY	3.4.2.8						
9.	STOCK (INVENTORY)	3.4.2.9						
10.	GOODS IN TRANSIT	3.4.2.10						
11.	GROUP PERSONAL ACCIDENT - Death (30	3.4.2.11						
12.	STATED BENEFITS	3.4.2.12						
13.	ELECTRONIC EQUIPMENT	3.4.2.13						
14.	PUBLIC & EMPLOYERS LIABILITY	3.4.2.14						
15.	BUSINESS INTERRUPTION	3.4.2.15						
16.	TRAVEL	3.4.2.16						
17.	PUBLIC EVENTS	3.4.2.17						

18.	THEFT	3.4.2.18						
19.	ACCIDENTAL DAMAGE	3.4.2.19						
20.	AGRICULTURAL TUNNELS/ IMPLEMENTS	3.4.2.20						
21.	CONTRACTOR'S ALL RISKS	3.4.2.21						
22.	MACHINERY/PLANT BREAKDOWN	3.4.2.22						
23.	EXCESS WAIVER	3.4.2.23						
24.	SPECIAL RISK COVER	3.4.2.24						
25.	CYBERCRIME	3.4.2.25						

**NB.**

**COVER MUST INCLUDE SASRIA FOR ALL ITEMS LISTED ABOVE.**

**Total Cost of Cover:** \_\_\_\_\_ R \_\_\_\_\_

**Total amount in words:** \_\_\_\_\_

**NB: All Prices to Exclude Value Added Tax.**

**Annual Escalation Percentage:** \_\_\_\_\_

**Basis of Annual Escalation Percentage:** \_\_\_\_\_

**Name of Registered Underwriters:** \_\_\_\_\_

**Contact Details of Underwriters:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Above information on ANNEXURE B (PRICING) certified correct:**

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

Name: \_\_\_\_\_

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

**MBD1: INVITATION TO BID (COMPULSORY SUBMISSION)****PART A**

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF ENTERPRISE ILEMBE</b>					
<b>Bid Number</b>	<b>T08-2023</b>	<b>Closing Date</b>		<b>Closing Time</b>	<b>11h00</b>
<b>Description</b>					
<b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM .</b>					

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT :

<b>ENTERPRISE ILEMBE</b> <b>SANGWENI TOURISM CENTRE</b> <b>CNR. LINK ROAD &amp; BALLITO DRIVE</b> <b>BALLITO</b> <b>4420</b>					
<b>SUPPLIER INFORMATION</b>					
Name of Bidder					
Postal Address					
Street Address					
Telephone Number	Code		Number		
Cellphone Number					
Facsimile Number	Code		Number		
E-Mail Address					
Vat Registration Number					
Tax Compliance Status	TCS PIN:		OR	CSD No:	
B-BBEE Status Level Verification Certificate [Tick Applicable Box]	<input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE Status Level Sworn Affidavit		<input type="checkbox"/> Yes <input type="checkbox"/> No
Are you the Accredited Representative in <b>South Africa for the Goods /Services /Works Offered?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No (if yes enclose proof)		Are you a Foreign Based Supplier for <b>the Goods /Services /Works Offered?</b>		<input type="checkbox"/> Yes <input type="checkbox"/> No (if yes, answer part B:3)
<b>Total Number of Items Offered</b>			<b>Total Bid Price:</b>		
<b>Signature of Bidder</b>			<b>Date:</b>		
<b>Capacity under which this bid is signed:</b>					

## PART B

### Terms and Conditions for Bidding

<b>1. BID SUBMISSION:</b>
1.1. Bids must be delivered by the stipulated time to the correct address. Late bids will not be accepted for consideration.
1.2. <b>All bids must be submitted as prescribed in the terms of reference</b>
1.3. This bid is subject to the Preferential Procurement Policy Framework Act and the Preferential Procurement Regulations, 2022, the GCC contract and, if applicable, any other special conditions of contract.
<b>2. TAX COMPLIANCE REQUIREMENTS</b>
2.1 Bidders must ensure compliance with their tax obligations.
2.2 Bidders are required to submit their unique Personal Identification Number (Pin) issued by SARS to enable the organ of state to view the taxpayer's profile and tax status.
2.3 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 <b>website <a href="http://www.sars.gov.za">www.sars.gov.za</a></b> .
2.4 Foreign suppliers must complete the Pre-Award Questionnaire in part B:3.
2.5 Bidders may also submit a printed TCS certificate together with the bid.
2.6 In bids where consortia / joint ventures / sub-contractors are involved each party must submit a separate TCS certificate / Pin / CSD number.
2.7 Where no TCS is available but the bidder is registered on the Central Supplier Database (CSD), a CSD number must be provided.
<b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>
3.1. Is the entity a resident of the Republic of South Africa (RSA)? <input type="checkbox"/> 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
<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>

**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: .....



#### **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/ Representative	
3.2	Identity Number	
3.3	Position occupied in the Company (director, trustee, shareholder <sup>2</sup> )	
3.4	Company Registration Number	
3.5	Tax Reference Number	
3.6	Tax Reference 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
-----	---	-----	----

<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 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.

3.8.1	If yes, furnish particulars.		
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 a 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, managers, principal 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, managers, principal 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, principal shareholders or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract.	Yes	No
3.14.1	If yes, furnish particulars.		

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

Full Name	Identity Number	State Number	Employee


<b>Name of Bidder</b>			
<b>Signature</b>		<b>Name (print)</b>	
<b>Capacity</b>		<b>Date</b>	

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

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

*(delete whichever is not applicable for this tender).*

- a) The applicable preference point system for this tender is the **80/20** preference point system.

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

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

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

The maximum points for this tender are allocated as follows:

	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 OR 90/10 PREFERENCE POINT SYSTEMS

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

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

#### 3.2.1. POINTS AWARDED FOR PRICE

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

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmax = Price of highest acceptable tender

### 4. POINTS AWARDED FOR SPECIFIC GOALS

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

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

(a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or

(b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

then the organ of state must indicate the points allocated for specific goals for both the

90/10 and 80/20 preference point system.

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

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

**Note to tenderers: The tenderer must indicate how they claim points for each preference point system and must submit supporting evidence in order for points to be awarded.)**

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
<b>Valid B-BBEE certificate/ affidavit (Level 3 or above)</b>	n/a	20 points	n/a	

**FAILURE TO CLAIM POINTS ON THE TABLE ABOVE WILL RESULT IN NO POINTS BEING AWARDED IN THE 80/20 PRICE CALCULATION.**

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

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

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify



that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

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

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

**SURNAME AND NAME:** .....

**DATE:** .....

**ADDRESS:** .....

.....

.....

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

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

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

4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

**CERTIFICATION**

**I, THE UNDERSIGNED (FULL NAME) .....**

**CERTIFY THAT THE INFORMATION FURNISHED ON THIS  
DECLARATION FORM TRUE AND CORRECT.**

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

.....

**Signature**

.....

**Date**

.....

**Position**

.....

**Name of Bidder**

## CERTIFICATE OF INDEPENDENT BID DETERMINATION

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

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

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

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

---

(Bid Number and Description)

in response to the invitation for the bid made by:

---

(Name of Municipality / Municipal Entity)

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

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

(Name of Bidder)

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

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
  - (a) prices;
  - (b) geographical area where product or service will be rendered (market allocation)
  - (c) methods, factors or formulas used to calculate prices;
  - (d) the intention or decision to submit or not to submit, a bid;
  - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
  - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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



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

.....

Signature

.....

Date

.....

Position

.....

Name of Bidder