



**BID DESCRIPTION: APPOINTMENT OF A SERVICE PROVIDER FOR PROVISION OF DEBT COLLECTION AND CREDIT CONTROL ENFORCEMENT MEASURES AND REVENUE PROTECTION SOLUTIONS FOR A PERIOD OF THREE YEARS**

**Bid Number:** MLM 11/2022/23

**SCM Unit contact number:** (016) 973 8740/1/2/3/4

**Department contact number:** (016) 973- 8475

**CLOSING DATE: 14 DECEMBER 2022**

**TIME: 11:00**

<b>DEPOSITED IN THE BID BOX SITUATED AT:</b>
--

<b>Metsimaholo Local Municipality, No 10 Fichardt Street, Finance Building, Ground Floor</b>
--

**Name of Bidder:** \_\_\_\_\_

**Bid Amount:** \_\_\_\_\_

**CSD Supplier Number:** \_\_\_\_\_

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

**Contact no:** \_\_\_\_\_

**Email Address:** \_\_\_\_\_

**Please Note:**

1. No bid or tender will be awarded to a person in the service of the State.
2. No bid or tender will be awarded without submitting Municipal Accounts or lease agreement.
3. No bid or tender will be awarded to tender defaulters or restricted by National Treasury.
4. Bidder must be registered with **Central Supplier Database** from National Treasury and Supplier or Vendor number must be submitted.
5. Other conditions of the bid or tender must be adhered to by the Bidder.
6. Documents must be inserted in a **sealed envelope**; failure to do so will lead to disqualification.
7. **If you are late for the briefing session you will not be allowed to sign the attendance register**

**APPROVED BY: MUNICIPAL MANAGER**

**ADV. L.M.A MOFOKENG:** \_\_\_\_\_



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**PREPARED BY: S. MOTSEI**

**REVIEWED BY: \_\_\_\_\_**

**L. RADEBE**

**RECOMMENDED BY: \_\_\_\_\_**

**HI. LEBUSA**



MBD1

## PART A INVITATION TO BID

**YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF MUNICIPALITY/ MUNICIPAL ENTITY)**

BID NUMBER:	MLM 11/2022/23	CLOSING DATE:	14 DECEMBER 2022	CLOSING TIME:	11:00
DESCRIPTION	<b>APPOINTMENT OF A SERVICE PROVIDER FOR PROVISION OF DEBT COLLECTION AND CREDIT CONTROL ENFORCEMENT MEASURES AND REVENUE PROTECTION SOLUTIONS FOR A PERIOD OF THREE YEARS</b>				

**THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).**

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN  
THE BID BOX SITUATED AT (STREET ADDRESS)

**Metsimaholo Local Municipality**

**No 10 Fichardt Street**

**Finance Building**

**Ground Floor**

**SUPPLIER INFORMATION**

NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:	



B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes  <input type="checkbox"/> No	B-BBEE STATUS LEVEL SWORN AFFIDAVIT	<input type="checkbox"/> Yes  <input type="checkbox"/> No
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]			
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No  [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No  [IF YES, ANSWER PART B:3 ]
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE	R
SIGNATURE OF BIDDER	.....	DATE	
CAPACITY UNDER WHICH THIS BID IS SIGNED			
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	
DEPARTMENT	FINANCE	CONTACT PERSON	Mr C Scheepers
CONTACT PERSON	SCM	TELEPHONE NUMBER	016 973 8475
TELEPHONE NUMBER	0169738740/1/2/3/4	FACSIMILE NUMBER	N/A
FACSIMILE NUMBER	N/A	E-MAIL ADDRESS	Clive.scheepers@metsimaholo.gov.za
E-MAIL ADDRESS	N/A		



MBD1

**PART B  
TERMS AND CONDITIONS FOR BIDDING**

<b>1. BID SUBMISSION:</b>
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.  1.2. <b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED-(NOT TO BE RE-TYPED) OR ONLINE</b>  1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
<b>2. TAX COMPLIANCE REQUIREMENTS</b>
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.  2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.  2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.  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)? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span> 3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span> 3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span> 3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span> 3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span> <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 3.1

### PRICING SCHEDULE – FIRM PRICES (PURCHASES)

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

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

**Name of Bid:** APPOINTMENT OF A SERVICE PROVIDER FOR PROVISION OF DEBT COLLECTION AND CREDIT CONTROL ENFORCEMENT MEASURES AND REVENUE PROTECTION SOLUTIONS FOR A PERIOD OF THREE YEARS

**Bid Number:** MLM 11/2022/23

**Closing Time:** 11:00

**Closing date:** 14 December 2022

**OFFER TO BE VALID FOR 90 DAYS FROM THE CLOSING DATE OF BID.**

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

**Note:** All delivery costs must be included in the bid price, for delivery at the prescribed destination  
 \*\* "all applicable taxes" includes value- added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.

\*Delete if not applicable.

**COMPLIANCE REQUIREMENTS**

NO	RETURNABLES	NOTES
1	A copy of a CSD summary report OR CSD number.	<ul style="list-style-type: none"> <li>CSD full report or summary report OR CSD number.</li> <li>Municipality may not make any award to a person whose tax matters are not complaint with SARS, please note that tax compliance will be verified before any award.</li> </ul>
2	Proof of company registration documents with the Director's details must be attached.	<ul style="list-style-type: none"> <li>The company registration documents must indicate the company and director's details.</li> </ul>
3	Fully completed MBD forms	<ul style="list-style-type: none"> <li>Fully Completed and signed in handwriting and in black ink pen.</li> </ul>
4	Joint Venture Agreement	<ul style="list-style-type: none"> <li>If applicable submit a complete and signed JV agreement.</li> </ul>
	<ul style="list-style-type: none"> <li><b>NB! The following documents will not be accepted on ITEM 5; 6 AND 7:</b> Affidavits; Address confirmation letter; invoices from the body corporates or agents, rates and taxes of the lessor (without a lease agreement) and municipal tender / rates clearance letter.</li> </ul>	
5	<p>Latest Municipal rates and taxes account for the COMPANY AND DIRECTORS/TRUSTEES/ MEMBERS/SHAREHOLDERS.</p> <ul style="list-style-type: none"> <li><b>NB! Strictly submit October, November or December 2022</b> municipal rates &amp; taxes statement.</li> </ul>	<ul style="list-style-type: none"> <li><b>Strictly submit October, November or December 2022</b> municipal rates &amp; taxes statement</li> <li>The submitted account must not be in arrears for more than 3 months.</li> <li>In a case of Rates &amp; Taxes Account being in a family member's name, ONLY MUNICIPAL Account where the address of the Account matches the address on the company registration documents will be accepted) if not in arrears for more than 3 months.</li> </ul>



6	In the event of a tenant renting a lease agreement MUST be attached for the COMPANY AND DIRECTORS/TRUSTEES/MEMBERS/SHAREHOLDERS.	<p>The lease agreement must include the following:</p> <ul style="list-style-type: none"> <li>• A valid copy of the lease agreement must be signed by (both Lessor and lessee).</li> <li>• The lease agreement must indicate dates of commencement and expiry or duration.</li> <li>• In a case where the lease agreement has expired and there is a clause indicating an automatic renewal, the original lease agreement and a confirmation letter signed by Lessor must be attached.</li> <li>• In the occasion where the lease agreement has expired the original lease agreement AND extension must be attached with commencement and expiry dates or duration.</li> </ul>
	<p><b>Note:</b> If the company registration document's physical address on lease agreement or the municipal rates and taxes statement is the same as the Director's physical address we will accept for both Company &amp; Director.</p>	
7	Municipal rates and taxes for bidders who are from the rural areas for the COMPANY AND DIRECTORS/TRUSTEES/MEMBERS/SHAREHOLDERS.	<ul style="list-style-type: none"> <li>• In the event that the bidder is from the rural area a letter from the municipality that the area is not liable to pay municipal rates and taxes OR a signed letter from the chief indicating that the bidder is from that particular rural/tribal area.</li> </ul>
8	BBBEE Certificate or Sworn Affidavit	<ul style="list-style-type: none"> <li>• Original or certified valid copy of SANAS only accredited BBBEE certificate OR valid Original or copy of BBBEE Sworn Affidavit must be attached. (Failure to submit Valid Certificate or certified copy will result in your bid not being allocated Points for BBBEE).</li> </ul>





9	Fully completed Pricing Schedules	<ul style="list-style-type: none"><li>Fully completed in handwriting and in black ink pen.</li></ul>
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**Failure to comply with the above-mentioned terms and conditions will deem your bid to be disqualified.**



### **PROPOSED ALLOCATION OF POINTS IN TERMS OF FUNCTIONALITY**

<b>ITEM</b>	<b>DESCRIPTION</b>	<b>POINTS</b>
<b>1</b>	<p><b>Experience in similar projects (Implementation methodology) (20points)</b></p> <p>For evaluation purpose, the criteria to judge methodology is based on:</p> <ul style="list-style-type: none"> <li>➤ Excellent – The bidder must be able to outline the debt collection process in line with the MLM debt collection policy and Legislative requirement and include flow chart / Standard Operating Procure (SOP) i.e. from notice to disconnection and reconnection. <b>(20points)</b></li> <li>➤ Good – The bidder must be able to outline debt collection process in line with best practice without reference to debt collection legislation and flow charts or SOP. <b>(10points)</b></li> </ul>	<b>20</b>
<b>2</b>	<p><b>A tract record to determine the experience of the company from Only South African State-Owned Entities (SOEs) (40points)</b></p> <ul style="list-style-type: none"> <li>➤ Signed four (4) appointment letters and corresponding four (4) reference letters clearly must state the experience in Debt Collection and Credit Control or Revenue Protection. <b>(Both letters 10points each)</b></li> </ul>	<b>40</b>
<b>3</b>	<p><b>Software licence agreement of external solution providers (10points)</b></p> <ul style="list-style-type: none"> <li>➤ Bidder must submit license certificate <b>OR</b> a signed confirmation letter from the software developer / distributor <b>OR</b> a signed license agreement from the software developer/distributor.</li> </ul>	<b>10</b>



<b>4</b>	<b>Staff personnel and tool of trade to implement the project (30points)</b>  <b><u>NB:</u></b> Attach Organogram of personnel with relevant qualifications <ul style="list-style-type: none"> <li>➤ Project Manager (Qualified Electrician with Pr.Engineer: Electrical) =(10points)</li> <li>➤ Project Administrator (Diploma in Admin / Finance or higher tertiary qualification) = (2.5points)</li> <li>➤ Support Staff members (Electricians) = (2.5points)</li> <li>➤ Support Staff members (Plumbers) = (2.5points)</li> <li>➤ Office space / Letter confirming intention to rent office space in Metsimaholo Jurisdiction = (2.5points)</li> <li>➤ Proof of at least 4 x vehicle Registration Certificates in a Company or Director's name / Signed letter from Rental Company on rental company letterhead = (10points)</li> </ul>	<b>30</b>
	<b>TOTAL</b>	<b>100</b>
<b>Bidders must obtain a minimum of 70 Points for functionality for further evaluation.</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:

.....  
.....



Full details of directors / trustees / members / shareholders.

Full Name	Identity Number	State Employee Number

.....  
**Signature**

.....  
**Date**

.....  
**Capacity**

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

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

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

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2017, the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

**1. General Conditions**

- 1.1. Preferential Procurement Regulations, 2017 (Regulation 8) make provision for the promotion of local production and content.
- 1.2. Regulation 8.(2) prescribes that in the case of designated sectors, organs of state must advertise such tenders with the specific bidding condition that only locally produced or manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for tenders referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.





- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286:2011 as follows:

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

Where

x is the imported content in Rand

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

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

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

- 1.6. A bid may be disqualified if this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation;
- 2. The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:**

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

3. Does any portion of the goods or services offered have any imported content?

(Tick applicable box)

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



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

The relevant rates of exchange information is accessible on [www.reservebank.co.za](http://www.reservebank.co.za)

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

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

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

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



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

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

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

**ISSUED BY:** (Procurement Authority / Name of Institution):  
 .....

**NB**

- 1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.
- 2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on [http://www.thdti.gov.za/industrial\\_development/ip.jsp](http://www.thdti.gov.za/industrial_development/ip.jsp). Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

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



- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that:
- (i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and
- (c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

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

**If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above.**

**The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E.**

- (d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.
- (e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 14 of the Preferential Procurement Regulations, 2017 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).



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

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

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

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

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

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

**MBD 6.1****PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017**

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

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

---

**1. GENERAL CONDITIONS**

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

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

1.2

a) The value of this bid is estimated to **not exceed** R50 000 000 (all applicable taxes included) and therefore the **...80/20.....** preference point system shall be applicable; or

b) Points for this bid shall be awarded for:

Price; and

B-BBEE Status Level of Contributor.



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

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
Total points for Price and B-BBEE must not exceed	100

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

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

## 2. DEFINITIONS

- (a) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
  - 1) B-BBEE Status level certificate issued by an authorized body or person;



- 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
  - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

### 3. POINTS AWARDED FOR PRICE

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

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

**80/20**

**or**

**90/10**

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

Where

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

$P_t$  = Price of bid under consideration

$P_{\min}$  = Price of lowest acceptable bid





#### 4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

- 4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

#### 5. BID DECLARATION

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

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

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

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



## 7. SUB-CONTRACTING

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

(***Tick applicable box***)

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

7.1.1 If yes, indicate:

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

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

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

Designated Group: An EME or QSE which is at least 51% owned by:	EME ✓	QSE ✓
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		



OR		
Any EME		
Any QSE		

## 8. DECLARATION WITH REGARD TO COMPANY/FIRM

8.1 Name of company/firm:.....

8.2 VAT registration number:.....

8.3 Company registration number:.....

### 8.4 TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
- ☐ One person business/sole propriety
- ☐ Close corporation
- ☐ Company
- ☐ (Pty) Limited

[TICK APPLICABLE BOX]

### 8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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



#### 8.6 COMPANY CLASSIFICATION

- ☐ Manufacturer
- ☐ Supplier
- ☐ Professional service provider
- ☐ Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

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

8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
  - (a) disqualify the person from the bidding process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;



- (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution.

**WITNESSES**

- 1. ....
- 2. ....

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

DATE: .....

**MBD 8****DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES**

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



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

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



4.3.1	If so, furnish particulars:		
Item	Question	Yes	No
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <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**

**MBD 9****CERTIFICATE OF INDEPENDENT BID DETERMINATION**

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

<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.



MBD 9

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

\_\_\_\_\_  
(Bid Number and Description)

in response to the invitation for the bid made by:

\_\_\_\_\_  
(Name of Municipality / Municipal Entity)

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

I certify, on behalf

Of : \_\_\_\_\_ that:  
(Name of Bidder)

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



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

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

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



.....  
**Signature**

.....  
**Date**

.....  
**Position**

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



## **GENERAL CONDITIONS OF CONTRACT**

### **NOTES**

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
- (ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government. In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.
- (iii) The General Conditions of Contract will form part of all bid documents and may not be amended.
- (iv) Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid if (applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

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## **General Conditions of Contract**

### **1. Definitions**

1. The following terms shall be interpreted as indicated:

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

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

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

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

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

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

1.7 "Day" means calendar day.

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

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

1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so

delivered and a valid receipt is obtained.

1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the 5 RSA.

1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not





restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

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

1.14 "GCC" means the General Conditions of Contract.

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

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

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

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

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

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

1.21 "Purchaser" means the organization purchasing the goods.

1.22 "Republic" means the Republic of South Africa.

1.23 "SCC" means the Special Conditions of Contract.

1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.

1.25 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.



## **2. Application**

2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

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

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

## **3. General**

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

3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from [www.treasury.gov.za](http://www.treasury.gov.za)

## **4. Standards**

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

## **5. Use of contract documents and information; inspection.**

5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only as far as may be necessary for purposes of such performance.

5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause



5.3 Except for purposes of performing the contract.

5.4 Any document, other than the contract itself mentioned in GCC clause

5.5 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.

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

## **6. Patent rights**

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

## **7. Performance security**

7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.

7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

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

(b) a cashier's or certified cheque

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



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

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

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

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

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

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

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

8.7 Any contract supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at 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 suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

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

**9. Packing**

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

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

**10. Delivery and documents**

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

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

**11. Insurance**

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

**12. Transportation**

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

**13. Incidental services**

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

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



(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

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

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

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

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

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

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

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

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

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

#### **15. Warranty**

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the



port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

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

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

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take 10 such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

## **16. Payment**

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

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

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

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

## **17. Prices**

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

## **18. Contract amendments**

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

## **19. Assignment**

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



## **20. Subcontracts**

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

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

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

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

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

21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the 11 supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

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

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

## **22. Penalties**

22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall,





without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

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

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

(a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC

Clause 21.2;

(b) if the Supplier fails to perform any other obligation(s) under the contract; or

(c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

23.4 If a purchaser intends imposing a restriction on a supplier or any 12 person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.

23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:

(i) the name and address of the supplier and / or person restricted by the purchaser;



- (ii) the date of commencement of the restriction
- (iii) the period of restriction; and
- (iv) the reasons for the restriction. These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.

23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

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

24.1 When, after the date of bid, provisional payments are required, or antidumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which 13 may be due to him

#### **25. Force Majeure**

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

25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser



in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

## **26. Termination for insolvency**

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

## **27. Settlement of Disputes**

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

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

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

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

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

(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and

(b) the purchaser shall pay the supplier any monies due the supplier.

## **28. Limitation of liability**

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

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



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

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

### **29. Governing language**

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

### **30. Applicable law**

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

### **31. Notices**

31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be

deemed to be proper service of such notice

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

### **32. Taxes and duties**

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

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

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.



### **33. National Industrial Participation (NIP) Programme**

33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

### **34 Prohibition of Restrictive practices**

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

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

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



## **Detail Scope of work or Terms of reference** **Specification requirements**

### **PURPOSE**

The purpose of these Terms of Reference (ToR) is to guide the appointment of experienced service provider to assist the Metsimaholo Local Municipality to render and sustain a complete Revenue Enhancement Service to improve Revenue Collection and Service Delivery consisting of the following aspects:

- Credit Control;
- Pre-Legal Collections;
- Revenue Protection;
- Indigent Management; and
- Other related services

The Project shall be for a Period of three (3) Years and must strongly focus on Revenue Enhancement and the financial stability of the Municipality as well as the protection of revenue by ensuring the implementation of good practices and innovations.



## 1. STRATEGIC OBJECTIVES OF THE PROJECT

The strategic objectives of this project are to introduce innovative systems and manage all processes and procedures supported by customized software for:

- 1.1 The operational management of credit control processes (all accounts included), procedures and field actions as well as the appointment, management and performance of the field action technicians.
- 1.2 Assist the Municipality through support from the Energy and the Water and Sanitation Departments to rectify Malfunctioning Infrastructure and Non- Infrastructure related anomalies in order to improve Billing and the Collection of Arrears. This may include provision of additional capacity & procurement to the municipality for the maintenance and repair of metered services installations (water & electricity) (pre-paid and conventional), to the specification of the relevant municipal departments.
- 1.3 Provide required and targeted assistance with billing by sending out account balances as well as reminders of the due date, pending credit control actions, etc. (SMS).
- 1.4 Provide required and targeted management of the Indigent Management Process and related actions to establish and maintain a credible Indigent Register.
- 1.5 Provide the Operational Management of the Pre –Legal Collection Process and related actions on all accounts.
- 1.6 Render Professional Services to assist with the following:
  - Debt book analysis in terms of collectability
  - Arrears Collection Strategy and relevant by-laws
  - Administration capacity enhancement
  - Integration of processes information
  - Pre-Collection Processes



1.7 Data assessment and financial profiling to enhance revenue by implementing the following:

- a) Affordability studies to determine collectability of arrears versus cost to collect.
- b) Data enrichment of the debtor's personal information.
- c) Customer data base management.
- d) Assurance of an all-inclusive tax base via stand data verification processes.
- e) Develop a communication and capacity building programme to assist the Municipality with the revenue enhancement and revenue protection program.

## **2. SCOPE OF WORK**

The scope of work will cover the following main items, but may not be limited to these items:

2.1 Operational management of credit control processes, procedures and field actions.

2.1.1 The Service Provider should have all the resources and materials including, but not limited to discharge or execute the Credit Control Functions.

- a) Sending SMS notifications for account balances and credit control related actions,
- b) The Delivery of Final Notices for accounts in arrears (all account types).
- c) Setting up an off-site operating office for the management of all credit control interventions.
- d) Implementing a management system to enforce policies and to manage resources and different levels of work allocations effectively and efficiently.
- e) Maintaining the relevant databases required for all actions to ensure data integrity.





f) Execute credit control actions according to the approved technical specifications, with the use of handheld devices for all actions which may include among others the following.

- Delivery of Final Demand Notices with photographic and GPS coordinates,
- Electricity Disconnection Level, 2: The circuit breaker is removed, properly tagged and securely stored for when reconnection is required. Remove installation permanently: This action requires for the removal of the electricity supply cable.
- Water Restriction: An instruction to restrict the water to a residential consumer with a flow-restricting device.
- Water closure: An instruction to close the water supply to a business and install a securing device.
- Delivering Final Notices & Illegal Consumption Inspections (ICI's), using Handheld Devices with photographic evidence. Information must be kept and uploaded electronically. If found tampered, a follow up credit control action should be scheduled automatically.

g) Setting up direct communication links between the operating office system and the Municipality's financial debtor system.

h) Training, instructing and managing technicians for credit control related tasks.

i) Managing daily schedule of work.

j) Monitoring field operations.

k) Compliance with Service Level Agreements.

l) Quality Control (administrative, technical, inspecting, testing, field action inspections)

m) Daily real time recording and capturing of field information.

n) Establish and operate a project store for water restrictions, water fitments, electrical wires, cables, circuit breakers, job cards, etc., especially for audit purposes.



- o) Coordinate progress meetings at different levels.
- p) Reporting on agreed intervals.
- q) Executing ad-hoc service delivery related tasks, including functions in terms of Agreements on the Service Delivery Process
- r) The management of unsuccessful actions where credit control actions could not be performed and where meter readings cannot be obtained by

the municipality's meter readers, by technically rectifying and marking the identified services installations.

- s) Implement OHS-Act accommodative best practices.
- t) Management of the By-Laws enforcement process, if applicable.
- u) Management of consumption monitoring process on prepaid meter installations to address exceptions where meters are illegally tampered, and consumption indicated as exceptions by a predetermined ratio
- v) Management of Final Readings and New Service Agreements in the following manner:
  - i. Shut-off of the electricity supply
  - ii. Take water readings
  - iii. Attach service termination notice
  - iv. Reconnection of services

2.2 Use a software system compatible to the Municipality's debtor system to send monthly billing statements balances electronically by SMS to consumers and reminders of the due date. See Required Functionality of the Software system.



### 2.3 The operational management of the Pre-Legal Collections process and related actions on all accounts.

In this process, the owner is separated from the economy. Actions that can be completed mainly in the office are managed / completed with limited intervention required for out of office work, except in certain cases for the delivery of notices and in-loco inspections.

All in-office actions are completed and if the customer is still in arrears, an internal process is followed until the only option is a legal process. This legal process itself can also be handled internally. The legal process is then followed until judgement is obtained. This ensures that the customer is no longer able to make any further debt. For this purpose:

- i. All actions will be instituted in the name of the Municipality and the service provider will not receive any cash from a customer. All payments will be made by the customers directly to the Municipality
- ii. The Municipality must have an effective administration process to allocate all payments made directly into the bank on a daily basis.
- iii. The handover file will include all accounts that has an arrear amount that is more than R50, indicating that the Credit Control Actions have been exhausted and/or there are no services on the property available for disconnection/restriction.
- iv. The following information shall be included in the handover file: Account number, stand number, Name, total account balance, arrear balance, street address, unit address, prepayment meter number, business/residential indicator, cell phone number and any other relevant info required.
- v. The service provider should be provided with access to the prepayment system to block customers from buying electricity. Unblocking can be done / is allowed by the municipal staff after payment was affected.
- vi. The service provider should be granted access to the billing system to be able to view the account details and/or respond to queries where applicable.



2.4 The management of the Indigent Registration and Verification process and related actions to establish and maintain an authentic Indigent Register. All Indigent actions must be done electronically to ensure compliance with audit principles.

2.4.1 The project will consist of eleven main deliverables broken down into smaller components. Individual deliverables should not be seen as stand-alone items but as consolidated and be approached in a coordinated manner. Such shall include among other the following activities:

- a) Identify implement and input into current Policy and procedural guidelines for Indigent Management in line with the existing legislative framework that guides the functioning of local government;
- b) Implement management systems to enforce policies and to manage resources and work allocations for Indigent Management.
- c) Setting up communication links between the Indigent Management operating office and the Municipality billing system.
- d) Undertake a capacity building and training programme for staff associated with Indigent Management Programme.
- e) Prepare and implement a comprehensive communication programme for the Indigent Management Programme to fit in with the Municipality overall community liaison programme;
- f) Provision of infrastructure and resources by the Service Provider (i.e. Office space accessible by foot from the Civic Centre/Main Office, telephones, furniture, printers, computers and systems compatible to the Municipality's financial systems. etc.) in addition the service provider will plan, administer, manage, control and report on the Indigent Management interventions. Where the Service Provider chooses to occupy municipal premises, such premises will be made available at a negotiated monthly cost.



- g) Supply operational capacity (i.e. tools, vehicles, etc.)
- h) Provide a comprehensive project proposal, an implementation plan and a financial proposal for the execution of the project.
- i) Setting up an Indigent Register for the Municipality.
- j) Report on the programme to the municipality.
- k) Develop and implement an Indigent Management Exit Plan.

2.5 Render a Professional Service on an ad hoc basis on the following:

- a) Debt book into collectability and suggested write offs
- b) Arrears Collection strategy and relevant by-laws
- c) Implementation of Credit Control and Debt Collection Policies
- d) Pre-collection processes

2.6 Data Enrichment and Financial Profiling

2.7 Collectability Study

Provide an online system whereby the Municipality can determine the risk to pay for services rendered and implement measures such as the installation of pre-paid water meters. It is also used to determine collectability of arrears versus cost to collect.

2.8 Data enrichment of the debtor's personal information

This process entails the process of extracting detail from the Debtor's Management System and uses the validated ID Number to obtain the following:

- Recent Contact Numbers – Home/work and cell phone number
- Addresses – postal and physical (not necessarily the same physical address as stated in the FMS of the Municipality)



- Mortality status
- Possible Indigent
- Liquidated/Insolvent debtor's

## 2.9 Continuous Customer Data Base Management

After data enrichment the data base should be managed and maintained by verifying all accounts on a monthly, quarterly, bi-annually, or annually basis to check for change such as deceased, status of the company or cell phone numbers.

## 2.10 Develop a Communication and Capacity Building program

Develop a communication and capacity building program to assist the Municipality to inform all concerned regarding the Revenue Enhancement and Revenue Protection program.

2.11 It may be required from the Service Provider to provide additional revenue enhancement exercises in respect of other revenue streams such as tariffs, sundry levies, fines etc. and the tenderer must submit an additional proposal, separate from the pricing schedules herein.

## 2.12 Maintenance and repair of metered services installations

a) Where applicable and when authorised, provide additional capacity to the municipality for the maintenance and repair of metered services installations to the following:

- Water meters – Conventional and pre-paid
- Electricity – Conventional and pre-paid

## 2.13 Tamper detection and solutions

a) Supply water restriction and adjustment securing devices

b) Solutions for secure enclosures for electricity installations



c) Where applicable and when authorised, procurement of infrastructure related meters & material based on the specifications of the municipality.

#### 2.14 Supply and Maintenance of a Workflow Management System

The Service Provider/ Successful Tenderer shall supply a workflow management system that manages the entire credit control, debt collection process as well as the revenue protection process. The core system must be able to generate and report on all revenue enhancement and revenue protection related tasks and results and will manage the entire process. The system must be web based.

#### 2.15 Develop a communication and capacity building program (On as and when required basis)

- Develop a comprehensive Communication Strategy and Roll-out Plan in conjunction with the Municipality.
- Design and Print Material
- Electronic and fixed billboard, animated slides, digital indoor, bus terminals etc.
- Planning, Facilitate and Execute Campaigns (hiring of equipment, distribution of pamphlets etc.)



## **PROJECT PRICING SCHEDULE**

### **1. PROJECT MANAGEMENT FEE**

<b>DESCRIPTION</b>	<b>MONTHLY MANAGEMENT FEES (EXCL. VAT)</b>
Management of Main Operations Centre and related Administration, including but not limited to the following:	
• Credit Control	
• Soft Collection	
• Data Cleansing and Profiling Services	
• Meter Audit, maintenance and repairs	
• Indigent Management and eligibility	
<b>SUB-TOTAL</b>	

### **2. CREDIT CONTROL**

#### **SMS & MMS COMMUNICATION**

<b>ACTION TYPE</b>	<b>DESCRIPTION</b>	<b>RATE (EXCL. VAT)</b>
Short message (SMS)	Account balance notification	
Short message (SMS)	Any other Credit Control and other related communication to consumers	
Email Communication - Defaults	Registered Email Communication to defaulting debtors	
<b>SUB-TOTAL</b>		



**FINAL NOTICE DELIVERY BY HAND**

ACTION TYPE	DESCRIPTION	RATE (EXCL. VAT)
Final Demand Notice	Urban/ Residential	
	Business	
Valid unsuccessful visits to premises (demolished buildings, invalid addresses etc.		
SUB-TOTAL		

**ELECTRICITY**

<b>ACTION TYPE</b>	<b>DESCRIPTION</b>	<b>RATE (EXCL. VAT)</b>
Disconnection	Disconnection of service with credit type / prepaid meter.	
Reconnection	Reconnection of service with credit type / prepaid meter.	
Removal of Installation Permanently (RIP)	Overhead to premises	
	Underground cable to premises	
	Underground reticulation	
Restoration of Supply	Overhead to premises (labour only)	
	Underground cable to premises (labour only)	
	Underground reticulation (labour only)	
	Underground reticulation 3 phase (labour only)	
Illegal Consumption Inspection (ICI)	Electricity only	
Illegal Consumption Inspection (ICI)	Electricity only	
Visits	Task not completed with reason	
Ad Hoc Client Investigation Request		
<b>SUB-TOTAL</b>		

**WATER**

<b>ACTION TYPE</b>	<b>DESCRIPTION</b>	<b>RATE (EXCL. VAT)</b>
Closure of Water (15 -40mm)	Install restrictive/securing device (labour only)	
Normalise flow (15 - 40mm)	Remove restrictive/securing device (labour only)	
Closure of Water (50 -100mm)	Install restrictive/securing device (labour only)	
Normalise flow (50 - 100mm)	Remove restrictive/securing device (labour only)	
Illegal consumption Inspection (ICI)	Water only	
Visits	Task not completed with reason	
Ad Hoc Client Investigation Request		
<b>SUB-TOTAL</b>		

**MANAGEMENT OF FINAL READINGS AND NEW SERVICE AGREEMENTS**

<b>ACTION TYPE</b>	<b>DESCRIPTION</b>	<b>RATE (EXCL. VAT)</b>
ELECTRICITY/ WATER METER	TAKE FINAL/NEW WATER METER READINGS AND ATTACH NOTICE	
<b>SUB-TOTAL</b>		

**MANAGEMENT OF THE BY-LAW PROCESS WHERE ILLEGAL CONSUMPTION IS DETECTED**

<b>ACTION</b>	<b>DESCRIPTION</b>	<b>RATE (EXCL. VAT)</b>
Site Visit	Verify information and establish condition status of the network installation and meter	
Case Docket	Compiling a case file comprising of all necessary evidence documentation	
All other related actions	Disconnections/Restrictions	
<b>SUB-TOTAL</b>		



### 3. DATA ENRICHMENT AND FINANCIAL PROFILING: DATA CLEANSING – ALL ACCOUNTS ON THE BILLING SYSTEM

ACTION TYPE	PER ACCOUNT (EXCL. VAT)
Registered Deeds per LPI Stand to rectify ownership anomalies – Live Deeds	
Registered Deeds per LPI Stand to rectify ownership anomalies – Offline Batch	
Debtor's Personal Information per accounts holder (Batch Contact Information)	
ID Verification (Home Affairs)	
Indigent Eligibility Model	
Extract all data on Debtor system to identify deceased persons & Companies in liquidation – per account	
Deceased Persons successfully confirmed – per account	
No or Incomplete ID Numbers – per account	
<b>SUB-TOTAL</b>	

### 4. REVENUE PROTECTION

#### GEO-SPATIAL AUDITS

SERVICE OFFERING	PER ACCOUNT (EXCL. VAT)
Review & Configuration of Surveyor General Data from municipality	
Stand/Property Audit (to be done spatially with photo and GPS reporting)	
Metered Services Audit (to be done spatially with photo and GPS reporting)	
Consumer Information Audit (to be done spatially with photo and GPS reporting)	
<b>SUB-TOTAL</b>	



### AUDIT, MAINTENANCE AND REPAIR OF METERED SERVICE INSTALLATIONS

ITEM DESCRIPTION	RATE (EXCL. VAT)
Replacement of conventional meters (damaged, tampered cannot be read)	
Replacement of prepaid meters (damaged, tampered, not purchasing credits)	
Zero purchase list audits on prepaid meters (electricity and water)	
Repair of meters i.e. water leaks, burnt meters, non-functioning meters	
Cleaning of meter boxes where the latter cannot be read due to foreign matter covering the meter	
TID Rollovers with Stand Audit (Data-cleansing basic information)	
<b>SUB-TOTAL</b>	

### TAMPER DETECTION AND SOLUTIONS

DESCRIPTION	RATE (EXCL. VAT)
Procure and Supply Secure Electricity Enclosures	
Procure and Supply Water Restriction and Securing Devices	
Procure and supply all meter installation material, components and meters	
System for monitoring of pre-paid water and electricity meters (Zero purchase list)	
<b>SUB-TOTAL</b>	



## 5. INDIGENT MANAGEMENT

DESCRIPTION	PER ACCOUNT (EXCL. VAT)
System License Fee – Monthly	
Ad-Hoc requests	
Implementation of the Communication & Awareness monthly campaigns: <ul style="list-style-type: none"> <li>• Loud hailing &amp; distribution of material by Service Provider</li> <li>• Coordination of campaign events with all stakeholders</li> </ul>	
All SMS notifications as part of the Indigent Management programme	
Capture the indigent registration data as per the application form in an electronic format	
Perform a site visit and complete a questionnaire which contains an inventory and recommendations.	
Indigent Eligibility – Data verification against external databases	
Communication to confirm Indigent Status (Letters/SMS)	
Hand delivery of application outcome letter (Approved and Declined)	
<b>SUB-TOTAL</b>	

**\* The bidder MUST fully complete ALL Pricing Schedule in handwriting and in black ink pen failure will deem your bid to be disqualified.**

**\*\* The services will be required on as and when a need arise, no work will be carried out without formal instruction. Municipality will not be responsible for the cost of work done without official instruction.**



### **PRICING SCHEDULE SUMMARY**

SUB-TOTAL 1	
SUB-TOTAL 2	
SUB-TOTAL 3	
SUB-TOTAL 4	
SUB-TOTAL 5	
<b><u>GRAND-TOTAL</u></b>	
<b><u>VAT 15%</u></b>	
<b><u>TENDER AMOUNT</u></b>	

ANNUAL PRICE ESCALATION IN PERCENTAGE		
<b>2<sup>ND</sup> YEAR</b>		<b>%</b>
<b>3<sup>RD</sup> YEAR</b>		<b>%</b>

**\*The municipality reserves the right to negotiate the percentage escalation.**



**Supply Chain Management Unit hereby invites bids for the following requirements:**

Bid No. MLM	Bid Description	Evaluation Criteria	Bid Fee	Closing Date	Technical Contact Person
11/2022/23	Appointment of a service provider for provision of debt collection and credit control enforcement measures and revenue protection solutions for a period of three years.	80/20 Price and functionality	R 500.00	14 December 2022 @ 11h00 FINANCE BUILDING 2 <sup>ND</sup> FLOOR FOYER	Mr C. Scheepers 016 973 8475

**Bids terms and conditions:**

1. Bids shall be evaluated and adjudicated in accordance with the Supply Chain Management Policy of Metsimaholo Local Municipality.
2. **WHERE A COMPULSORY BRIEFING SESSION IS REQUIRED, THE ONUS IS ON THE BIDDER TO ATTEND AND ARRIVE ON TIME, AS LATE ARRIVALS SHALL NEITHER BE ALLOWED INTO THE VENUE NOR WILL THEY BE PERMITTED TO SIGN THE ATTENDANCE REGISTER, AND THEREBY THEY WILL BE DEEMED TO BE ABSENT AND THEIR BIDS SHALL NOT BE CONSIDERED.**
3. Tender documents will be available at the **SCM Office, Metsimaholo Local Municipality, Civic Centre, 10 Fichardt Street, Sasolburg, finance building, 1<sup>st</sup> floor.**
4. Non-refundable tender document fee is payable in cash between 07:30am and 15:30pm at the **cashiers in the Rates Hall, Metsimaholo Local Municipality, Civic Centre, 10 Fichardt Street, Sasolburg.**
5. **TENDER DOCUMENTS CAN ALSO BE DOWNLOADED ON E-TENDER @www.etenders.gov.za**
6. The municipality reserves the right to accept the tender in part or totally reject it.
7. **Tenders endorsed with their specific Tender Numbers must be placed in the tender box located at Metsimaholo Local Municipality, Ground floor, Finance Building, 10 Fichardt Street, Sasolburg.**
8. Late tenders will not be accepted.
9. Incomplete tenders may be disqualified.
10. No faxed or e-mailed tenders shall be accepted.
11. The municipality reserves the right to accept any tender price and not necessarily the lowest, and to withdraw any bid before the award.
12. Bidders must comply with the requirements as specified in a tender document; failure to comply may lead to non-consideration (disqualification).
13. No bids from the persons in the service of the state such as Councillors, and other elected representative (MPs, MPLs), public servants, national and provincial, municipal officials, directors of public and municipal entities are barred from engaging in business with the municipality.

**ADV L.M.A MOFOKENG**

**Notice No: 08/2022/2023**

**Municipal Manager**





**BIDDER MUST USE THE ANNEXURE'S ATTACHED  
HERETO TO INCLUDE THE REQUIRED RETURNABLE  
DOCUMENTS**

**NB: None submission of this supporting documents may  
lead to disqualification**



## **ANNEXURE A**

### **Central Supply Database (CSD) Summary Report**



## **ANNEXURE B**

### **Company Registration Document**

Certificate issued by Companies and Intellectual Property Commission



## **ANNEXURE C**

Joint venture agreement (If applicable)



## **ANNEXURE D**

**Latest Municipal rates and taxes account OR lease agreement for the COMPANY**



## **ANNEXURE E**

**Latest Municipal rates and taxes account OR lease  
agreement for the DIRECTORS / TRUSTEES /  
MEMBERS / SHAREHOLDERS**



## **ANNEXURE F**

### **BBBEE Certificate or Sworn Affidavit**



**BIDDER MUST USE THE ANNEXURE'S ATTACHED  
HERETO TO INCLUDE THE REQUIRED  
RETURNABLE DOCUMENTS FOR FUNCTIONALITY**

**NB: None submission of this supporting  
documents will lead to no points award**





## **ANNEXURE G**

### **EXPERIENCE IN SIMILAR PROJECTS (IMPLEMENTATION METHODOLOGY)**



## **ANNEXURE H**

**A TRACT RECORD TO DETERMINE THE EXPERIENCE OF THE  
COMPANY FROM ONLY SOUTH AFRICAN STATE-OWNED  
ENTITIES (SOE's)**



## **ANNEXURE I**

**BIDDER MUST SUBMIT LICENSE CERTIFICATE, A SIGNED CONFIRMATION LETTER FROM THE SOFTWARE DEVELOPER / DISTRIBUTOR OR A SIGNED LICENSE AGREEMENT FROM THE SOFTWARE DEVELOPER/DISTRIBUTOR.**



## **ANNEXURE J**

**STAFF PERSONNEL AND TOOL OF TRADE TO IMPLEMENT  
THE PROJECT**

**NB: ATTACH ORGANOGRAM OF PERSONNEL WITH RELEVANT  
QUALIFICATIONS**