

MPOFANA LOCAL MUNICIPALITY



THE PROVISION OF AN INTERNAL AUDIT SERVICES FOR A PERIOD OF 36 MONTHS

BID NUMBER: MPO/08/2023



PROVISION OF AN INTERNAL AUDIT SERVICES FOR MPOFANA LOCAL MUNICIPALITY

THE PROVISION OF AN INTERNAL AUDIT SERVICES FOR A PERIOD OF 36 MONTHS

Enquiries : Mr Sanele Sithole / Bongekile Mdlalose
Telephone No. : (033) 263 1221

SUBMISSION OF BID DOCUMENT

Closing Date : 14 September 2023
Closing Time : 12:00
Venue : Mpofana Local Municipality Offices
10 Claughton Terrace, Mooi River, 3300

Name of Organization (Bidder):

Postal Address :
:

Contact Person :

Telephone No. :

Fax No. :

Email Address :

Total Bid Price (Incl VAT) :

BID ADVERTISEMENT

Service Providers are hereby invited to bid to Mpofana Local Municipality for the following bid:

Bid no:	Bid Description	Date and Venue for briefing meeting	Evaluation Criteria
MPO/08/2023	The Provision Of An Internal Audit Services For A Period Of 36 Months.	21 August 2023 at 11:00am 10 Claughton Terrace, Mooi River, Board Room / Council Chamber	• Administrative Compliance • Functionality • Specific Goal • Price

ALL BIDS MUST COMPLY WITH THE FOLLOWING CONDITIONS:

1. Requirements for sealing, addressing, delivery, opening and assessment of bids are stated in the bid document;
2. No late bid will be accepted. Telefax or e-mail bids are not acceptable.
3. Bids may only be submitted on the bid documents as provided by Mpofana Local Municipality. The use of tip-ex is not allowed on the bid documents. Bids completed in pencil will be regarded as invalid bids. No page(s) may be removed from the original bid document. All forms must be completed and must not be amended. If any of the forms, or portion of any form, is not applicable please indicate it on the form by marking it N/A.
4. The following Municipal Documents are compulsory and must be included in the bid document.
 - Advertisement
 - Specification (Terms of Reference)
 - MBD 1: Invitation to Bid
 - MBD 2: Tax Requirements
 - MBD 4: Declaration of Interest
 - MBD 6.1: Preference Points Claim Form
 - MBD7.1: Contract Form –Purchase of goods/works
 - MBD 8: Declaration of Bidders past SCM Practices
 - MBD 9: Certificate of Independent Bid Determination
 - Any special conditions as contained in the bid document.

Evaluation and adjudication of bids

The Preferential Procurement Regulations 2022 of the Supply Chain Management Policy of the Mpofana Local Municipality and other enabling legislation will be applied in the evaluation and adjudication process. For the purposes of this bid the 80/20 preference points system will be applicable.

For the purposes of comparison and in order to ensure a meaningful evaluation, bidders are requested to furnish detailed information in substantiation of compliance to the evaluation criteria mentioned in this bid document.

Mpofana Local Municipality is not obliged to accept the lowest of any quotation.

Bid documents are available at the Mpofana Municipal Offices upon payment of a non- refundable fee of R5000.00 per document Incl. VAT during office hours between 08h00 to 15h00 as from Friday, 18 August 2023 Completed bids in sealed envelopes bearing the bid number must be deposited in the Municipality's bid box at the municipal offices 10 Claughton Terrace, Mooi River, 3300 no later than 12:00 on 14 September 2023 where bids will be opened in public.

Procurement enquiries : Mr. Sanele Sithole / Bongekile Sokhela 033 263 1221 / 7701.

**DR E.H. DLADLA
MUNICIPAL MANAGER**

THE PROVISION OF AN INTERNAL AUDIT SERVICES FOR A FOR A PERIOD OF 36 MONTHS

BID NO : MPO/08/2023

FORM OF OFFER AND ACCEPTANCE OFFER

The employer, identified in the acceptance signature block, has solicited offers to enter into a contract for:

[The Provision of An Internal Audit Services. Bid Number MPO/08/2023]

The bidder, identified in the offer signature block, has examined the documents listed in the tender data and addenda thereto as listed in the tender schedules, and by submitting this offer has accepted the conditions of bid.

By the representative of the bidder, deemed to be duly authorized, signing this part of this form of offer and acceptance, the bidder offers to perform all of the obligations and liabilities of the contractor under the contract including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined in accordance with the conditions of contract identified in the contract data.

THE OFFERED TOTAL OF THE PRICES INCLUSIVE OF VALUE ADDED TAX IS

.....

..... Rand (in words);

R..... (in figures) (or other suitable wording)

This offer may be accepted by the employer by signing the acceptance part of this form of offer and acceptance and returning one copy of this document to the bidder before the end of the period of validity stated in the tender data, whereupon the bidder becomes the party named as the contractor in the conditions of contract identified in the contract data.

Signature(s)

Name(s)

Capacity

For the

Bidder

(Name and address of organization)

Name and Signature of

Witness Date

ACCEPTANCE

By signing this part of this form of offer and acceptance, the employer identified below accepts the bidder's offer. In consideration thereof, the employer shall pay the contractor the amount due in accordance with the conditions of contract identified in the contract data. Acceptance of the bidder's offer shall form an agreement between the employer and the bidder upon the terms and conditions contained in this agreement and in the contract that is the subject of this agreement.

The terms of the contract, are contained in:

- Part 1 Agreements and contract data, (which includes this agreement)
- Part 2 Pricing data
- Part 3 Scope of work
- Part 4 Briefing Session

and drawings and documents or parts thereof, which may be incorporated by reference into Parts 1 to 4 above.

Deviations from and amendments to the documents listed in the tender data and any addenda thereto as listed in the tender schedules as well as any changes to the terms of the offer agreed by the bidder and the employer during this process of offer and acceptance, are contained in the schedule of deviations attached to and forming part of this agreement. No amendments to or deviations from said documents are valid unless contained in this schedule, which must be signed by the authorized representative(s) of both parties.

The bidder shall within two weeks after receiving a completed copy of this agreement, including the schedule of deviations (if any), contact the employer's agent (whose details are given in the contract data) to arrange the delivery of any bonds, guarantees, proof of insurance and any other documentation to be provided in terms of the conditions of contract identified in the contract data at, or just after, the date this agreement comes into effect. Failure to fulfill any of these obligations in accordance with those terms shall constitute a repudiation of this agreement.

Notwithstanding anything contained herein, this agreement comes into effect on the date when the bidder receives one fully completed original copy of this document, including the schedule of deviations (if any). Unless the bidder (now contractor) within five days of the date of such receipt notifies the employer in writing of any reason why he cannot accept the contents of this agreement, this agreement shall constitute a binding contract between the parties.

Signature(s)

Name(s)

Capacity

For the

Employer: **Mpofana Local Municipality**

Name and

Signature of

Witness Date

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF MUNICIPALITY/ MUNICIPAL ENTITY)					
BID NUMBER:	MPO/08/2023	CLOSING DATE:	14 SEPTEMBER 2023	CLOSING TIME:	12:00
DESCRIPTION	THE PROVISION OF AN INTERNAL AUDIT SERVICES FOR A PERIOD OF 36 MONTHS.				
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 10 CLAUGHTON TERRACE, MOOI RIVER, 3300

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]	☐ Yes ☐ No	B-BBEE STATUS LEVEL SWORN AFFIDAVIT	☐ Yes ☐ 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?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	☐ Yes ☐ 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	
CONTACT PERSON	SANELE/BONGEKILE	TELEPHONE NUMBER	0332631221
TELEPHONE NUMBER	0332631221	FACSIMILE NUMBER	0332631127
FACSIMILE NUMBER	0332631127	E-MAIL ADDRESS	
E-MAIL ADDRESS			

PART B TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION. 1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE 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.
2. TAX COMPLIANCE REQUIREMENTS
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.
3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS
3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? ☐ YES ☐ NO 3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA? ☐ YES ☐ NO 3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? ☐ YES ☐ NO 3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? ☐ YES ☐ NO 3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? ☐ YES ☐ NO IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.

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

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

DATE:

AUTHORITY FOR SIGNATORY

Indicate the status of the bidder by ticking the appropriate box hereunder. The bidder must complete the certificate set out below for the relevant category.

A Company	B Partnership	C Joint Venture	D Sole Proprietor	E Close Corporation

A. Certificate for Company

I, chairperson of the board of , hereby confirm that by resolution of the board (copy attached) taken on 20.... , Mr/Ms acting in the capacity of , was authorised to sign all documents in connection with this bid for Contract No and any contract resulting from it on behalf of the company.

As witnesses:

1.

Chairman:

2.

Date:

B. Certificate for Partnership

We, the undersigned, being the key partners in the business trading as , hereby authorize Mr/Ms , acting in the capacity of , to sign all documents in connection with this bid for

Contract No **MPO/08/2015** and any contract resulting from it on our behalf.

Name	Address	Signature	Date

Note: This certificate is to be completed and signed by all key partners upon whom rests the direction of the affairs of the Partnership as a whole.

C. Certificate for Joint Venture

We, the undersigned, are submitting this bid offer in Joint Venture and hereby authorise Mr/Ms , authorised signatory of the company..... , acting in the capacity of lead partner, to sign all documents in connection with this bid for Contract No..... and any contract resulting from it on our behalf.

This authorisation is evidenced by the attached power of attorney signed by legally authorised signatories of all the partners to the Joint Venture.

Name of Firm	Address	Authorising Name and Capacity	Authorising Signature
Lead Partner:			

D. Certificate for Sole Proprietor

I,, hereby confirm that I am the sole owner of the business trading as

As witnesses:

1.

Sole Owner:

2.

Date:

E. Certificate for Close Corporation

We, the undersigned, being the key members in the business trading as, hereby authorise Mr/Msacting in the capacity of, to sign all to sign all documents in connection with this bid for Contract No and any contract resulting from it on our behalf.

Name	Address	Signature	Date

Note: This certificate is to be completed and signed by all key partners upon whom rests the direction of the affairs of the Partnership as a whole.

TAX CLEARANCE CERTIFICATE REQUIREMENTS

It is a condition of bid that the taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.

1. In order to meet this requirement bidders are required to complete in full the attached form TCC 001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.
2. SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
3. The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.
4. In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.
5. Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website www.sars.gov.za.
6. Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.sars.gov.za.

Attach valid Tax Clearance Certificates or a PIN issued by SARS to this page.

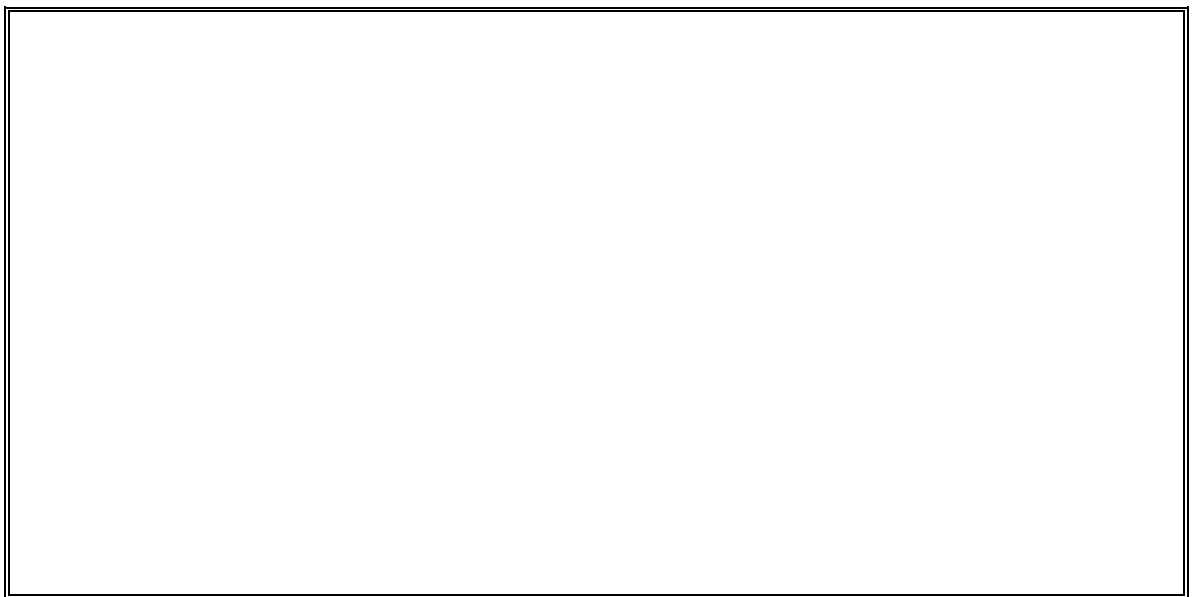
SIGNATURE OF BIDDER:

DATE:.....

B-BBEE RATING CERTIFICATE

1. Bidders are required to submit Certified Valid copies of B-BBEE Status Level Verification Certificates together with their bids, to substantiate their B-BBEE rating claims.
2. Bidders who do not submit B-BBEE Status Level Verification Certificates or are non-compliant contributors to B-BBEE do not qualify for preference points for B-BBEE but will not be disqualified from the bidding process. They will score points out of 90 or 80 for price Only and zero (0) points out of 10 or 20 for B-BBEE.
3. A trust, consortium or joint venture must submit a consolidated B-BBEE Status Level Verification Certificate.

Attach valid BBBEE Rating Certificate to this page.



SIGNATURE OF BIDDER:

DATE:.....

PRICING SCHEDULE – (RATES)

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

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

Name of bidder..... Bid number: **MPO/08/2023**

Closing Date: 14 September 2023 at 12:00.

1. Please indicate your total bid price here: R..... (compulsory)
2. NOTE: All prices must be VAT exclusive and must be quoted in South African Rand (ZAR).
3. Are the rates quoted firm for the full period of the contract? **YES/NO**

Important: If not firm for the full period, provide details of the basis on which adjustments shall be applied e.g. CPI, and also details of the cost breakdown.

THE PROVISION OF AN INTERNAL AUDIT SERVICES

DURATION: THIRTY SIX (36) MONTHS

DESCRIPTION	QUANTITY	AMOUNT
COMPANY STAMP	SUB-TOTAL	
	VAT(15%)	
	TOTAL	

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state¹.
2. Any person, having a kinship with persons in the service of the state, including a 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 authorized representative declare their position in relation to the evaluating/adjudicating authority.
3. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.
 - 3.1 Full Name of bidder or his or her representative:.....
 - 3.2 Identity Number:
 - 3.3 Position occupied in the Company (director, trustee, shareholder²):.....
.....
 - 3.4 Company Registration Number:
.....
 - 3.5 Tax Reference
Number:.....
 - 3.6 VAT Registration Number:
.....
 - 3.7 The names of all directors / trustees / shareholders members, their individual identity numbers and state employee numbers must be indicated in paragraph 4 below.
 - 3.8 Are you presently in the service of the state? **YES / NO**
 - 3.8.1 If yes, furnish particulars.
.....

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

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

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

- 3.9 Have you been in the service of the state for the past twelve months? **YES / NO**
- 3.9.1 If yes, furnish particulars.....

3.10 Do you have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid?

YES / NO

3.10.1 If yes, furnish particulars.

.....
.....

3.11 Are you, aware of any relationship (family, friend, other) between any other bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid?

YES / NO

3.11.1 If yes, furnish particulars

.....
.....

3.12 Are any of the company's directors, trustees, managers, principle shareholders or stakeholders in service of the state?

YES / NO

3.12.1 If yes, furnish particulars.

.....
.....

3.13 Are any spouse, child or parent of the company's directors trustees, managers, principle shareholders or stakeholders in service of the state?

YES / NO

3.13.1 If yes, furnish particulars.

.....
.....

3.14 Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract.

YES / NO

3.14.1 If yes, furnish particulars:

.....
.....

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

Full Name	Identity Number	State Employee Number

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

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

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

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

1. GENERAL CONDITIONS

(a) The following Preference Point Systems are applicable to invitations to Tender:-

- The 80/20 System for requirements with a Rand Value of up to R 50 000 000 (all applicable taxes included);
- The 90/10 System for requirements with a Rand Value of up to R 50 000 000 (all applicable taxes included).

(b) To be completed by the Organ of State:- *(delete whichever is NOT applicable for this Tender)*

- The applicable Preference Point System for this Tender is the 90/10 Preference Point System.
- The applicable Preference Point System for this Tender is the 80/20 Preference Point System.
- Either the 90/10 or 80/20 Preference Point System will be applicable in this Tender. The lowest/highest acceptable Tender will be used to determine the accurate system once Tenders are received.

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

- Price; and
- Specific Goals.

(d) To be completed by the Organ of State:

- The Maximum Points for this Tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total Points for Price and Specific Goals	100

(e) Failure on the part of a Tenderer to submit proof or documentation required in terms of this Tender to claim points for Specific Goals with the Tender, will be interpreted to mean that Preference Points for Specific Goals are not claimed.

(f) The Organ of State reserves the right to require of a Tenderer either before a Tender is adjudicated or at any time subsequently to substantiate any claim in regard to Preferences in any manner required by the Organ of State.

DEFINITIONS

- (a) **"Tender"** means a written offer in the form determined by an Organ of State in response to an invitation to provide Goods or Services through price quotations, competitive tendering process or any other method envisaged in Legislation;
- (b) **"Price"** means an amount of money tendered for Goods or Services, and includes all applicable taxes less all unconditional discounts;
- (c) **"Rand Value"** means the total estimated value of a contract in Rands, calculated at the time of Bid invitation and includes all applicable taxes;
- (d) **"Tender for Income-generating contracts"** means a written offer in the form determined by an Organ of State in response to an invitation for the origination of Income-generating contracts through any method envisaged in Legislation that will result in a Legal Agreement between the Organ of State and a third party that produces revenue for the Organ of States and disposal of assets through Public Auctions; and
- (e) **"The Act"** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

i. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

▪ POINTS AWARDED FOR PRICE

- ✓ The 80/20 or 90/10 Preference Points Systems
- ✓ A maximum of 80 or 90 points is allocated for price on the following basis

$P_s = 80$	$\frac{1 - P_t - P_{min}}{P_{min}}$	$P_s = 90$	$\frac{1 - P_t - P_{min}}{P_{min}}$
Where:			
P_s	= Points scored for price of tender under consideration		
P_t	= Price of Tender under consideration		
P_{min}	= Price of lowest acceptable Tender		

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

▪ POINTS AWARDED FOR PRICE

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

$P_s = 80$	$\frac{1 - P_t - P_{max}}{P_{max}}$	$P_s = 90$	$\frac{1 - P_t - P_{max}}{P_{max}}$
Where:			
P_s	= Points scored for price of tender under consideration		
P_t	= Price of Tender under consideration		
P_{max}	= Price of highest acceptable Tender		

iii. POINT AWARDED FOR SPECIFIC GOALS

- In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, Preference Point System must be awarded for Specific Goals stated in the Tender. For the purposes of this Tender, the Tenderer will be allocated points based on the Specific Goals stated in the Table 1 below as may be supported by proof/documentation stated in the conditions of this Tender.
- In cases where Organ of State intend to use Regulation 3(2) of the Regulations which states that if it is unclear whether the 80/20 or 90/20 Preference Point System applies, an Organ of State must in the Tender documents stipulate in the case of:-
 - ✓ An invitation for Tender for Income-generating contracts that either the 80/20 or 90/10 Preference Point System will apply and that the highest acceptable Tender will be used to determine the applicable Preference Point System; and/or
 - ✓ Any other invitation for Tender that either the 80/20 or 90/10 Preference Point System will apply and that the lowest acceptable Tender will be used to determine the applicable Preference Point System then the Organ of State must indicate the points allocated for Specific Goals for both the 90/10 and 80/20 Preference Point System.

TABLE 1: SPECIFIC GOALS FOR THE TENDER AND POINTS CLAIMED ARE INDICATED PER THE TABLE BELOW.

- *(Note to Organ of State: Where either the 90/10 or 80/20 Preference Point System is applicable corresponding points must also be indicated as such.)*
- *(Note to Tenderers: The Tenderers must indicate how they claim points for each Preference Point System.)*

THE SPECIFIC GOALS ALLOCATED POINTS IN TERMS OF THIS TENDER	NUMBER OF POINTS ALLOCATED (80/20 SYSTEM) - TO BE COMPLETED BY THE ORGAN OF STATE	NUMBER OF POINTS CLAIMED (80/20 SYSTEM) - TO BE COMPLETED BY THE TENDERER
RACE – 100% Black Owned <i>Proof: CIPC Certificate plus copy of ID Document</i>	10	
Gender – 100% Woman Owned <i>Proof: CIPC Certificate plus copy of ID Document</i>	05	
Disability <i>Proof: Medical Certificate</i>	05	

DECLARATION BY BANK MANAGER

NAME OF BIDDER:

NAME OF BANK:

ACCOUNT NUMBER:

ACCOUNT TYPE:

BRANCH CODE:

BRANCH NAME:

BRANCH CONTACT PERSON:

PHONE NUMBER:

FAX NUMBER:

This is to certify that the Bidder has sufficient good standing with this bank that he will, in my opinion, be financially able to complete a contract of R.....over the bided duration ofweeks. In addition we confirm that, for the amount of the enquiry, the Bidder is rated Code

SIGNATURE OF BANK MANAGER:**DATE:**



CERTIFICATE OF AUTHORITY FOR JOINT VENTURES

This returnable schedule is to be completed by joint ventures.

We, the undersigned, are submitting this bid offer in joint venture and hereby authorize Mr./Ms., authorised signatory of the company, close corporation or partnership, acting in the capacity of lead partner, to sign all documents in connection with the bid offer and any contract resulting from it on our behalf.

NAME OF FIRM	ADDRESS	DULY AUTHORISED SIGNATORY
Lead Partner		Signature:
		Name:
		Designation:
		Signature:
		Name:
		Designation:
		Signature:
		Name:
		Designation:

Note:

A copy of the Joint Venture Agreement showing clearly the percentage contribution of each partner to the Joint Venture shall be appended to this schedule.

SCHEDULE OF PROPOSED SUB-CONTRACTORS

The Bidder shall list below any Sub-Contractors he wishes to employ to carry out part(s) of the Work.

The acceptance of his bid shall not be construed as approval of all or any of the listed Sub-Contractors. Should any or all of the Sub-Contractors not be approved subsequent to acceptance of the bid, this shall in no way invalidate this bid. Furthermore, the bided unit rates for the various items of work shall remain final and binding.

No.	PROPOSED SUB-CONTRACTORS	PART OR TYPE OF WORK	ADDRESS OF PROPOSED SUBCONTRACTOR	CONTACT DETAILS	VALUE OF WORK (R)
1					
2					
3					
4					
5					
6					
7					
TOTAL VALUE OF WORKS TO BE SUB-CONTRACTED					R

Bidders are requested to furnish certified copies of the proposed subcontractor's CK Certificate as well as certified copies of the owners' Identity Documents along with this bid.

SIGNED ON BEHALF OF BIDDER:

EXPERIENCE OF BIDDER

The following is a statement of work of a similar nature with municipalities successfully executed by myself/ourselves within the past 3 years:

[illegible]

A separate schedule, clearly referenced, may be inserted here.

Bidders must have specific experience and submit at least two recent references (in a form of written proof(s) on municipalities' letterhead including relevant contact person, nature of service, contract amount, commencement date, telephone number, fax number and email addresses) of similar work undertaken.

SIGNATURE:
(of person authorised to sign on behalf of the Bidder)

DATE:

DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS

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

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

1. General Conditions

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

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

Where

x is the imported content in Rand

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

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

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

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

2. Definitions

- 2.1. “bid” includes written price quotations, advertised competitive bids or proposals;
- 2.2. “bid price” price offered by the bidder, excluding value added tax (VAT);
- 2.3. “contract” means the agreement that results from the acceptance of a bid by an organ of state;
- 2.4. “designated sector” means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry

in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;

- 2.5. "duly sign" means a Declaration Certificate for Local Content that has been signed by the Chief Financial Officer or other legally responsible person nominated in writing by the Chief Executive, or senior member/person with management responsibility(close corporation, partnership or individual).
- 2.6. "imported content" means that portion of the bid price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad (this includes labour and intellectual property costs), plus freight and other direct importation costs, such as landing costs, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry;
- 2.7. "local content" means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place;
- 2.8. "stipulated minimum threshold" means that portion of local production and content as determined by the Department of Trade and Industry; and
- 2.9. "sub-contract" means the primary contractor's assigning, leasing, making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.
3. The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:

Description of services, works or goods	Stipulated minimum threshold
_____	_____ %
_____	_____ %
_____	_____ %

4. Does any portion of the services, works or goods offered have any imported content?
(***Tick applicable box***)

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

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

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

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

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

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

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

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

- 5.1. If yes, provide the following particulars:

(a) Full name of auditor:

- (b) Practice number:
- (c) Telephone and cell number:
- (d) Email address:

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

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

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

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

IN RESPECT OF BID NO.

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

NB

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

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

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

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

(b) I have satisfied myself that

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

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

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

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

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

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

SIGNATURE: **DATE:**

WITNESS No. 1 **DATE:**

WITNESS No. 2 **DATE:**

CONTRACT FORM - RENDERING OF SERVICES

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

PART 1 (TO BE FILLED IN BY THE SERVICE PROVIDER)

1. I hereby undertake to render services described in the attached bidding documents to (name of the institution) in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid.

2. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Bidding documents, viz
 - Invitation to bid;
 - Tax clearance certificate;
 - Pricing schedule(s);
 - Filled in task directive/proposal;
 - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
 - Declaration of interest;
 - Declaration of Bidder's past SCM practices;
 - Certificate of Independent Bid Determination;
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (iii) Other (specify)

3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.

4. I accept full responsibility for the proper execution and fulfillment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.

5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.

6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

WITNESSES

1

2

DATE:

CONTRACT FORM - RENDERING OF SERVICES

PART 2 (TO BE FILLED IN BY THE PURCHASER)

- (i) I..... in my capacity as.....
accept your bid under reference numberdated.....for the rendering of services indicated
hereunder and/or further specified in the annexure(s).
- (ii) An official order indicating service delivery instructions is forthcoming.
- (iii) I undertake to make payment for the services rendered in accordance with the terms and conditions of the contract, within 30
(thirty) days after receipt of an invoice.

DESCRIPTION OF SERVICE	PRICE (ALL APPLICABLE TAXES INCLUDED)	COMPLETION DATE	B-BBEE STATUS LEVEL OF CONTRIBUTION	MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)

I confirm that I am duly authorised to sign this contract.

SIGNED AT ON

NAME (PRINT)

SIGNATURE

OFFICIAL STAMP

WITNESSES

1

2

DATE:

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 Bid Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)
- 4 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector? (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>audialterampartem</i> rule was applied). The Database of Restricted Suppliers now resides on the National Treasury's website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.	Yes ☐	No ☐
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Bid Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.	Yes ☐	No ☐
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes ☐	No ☐

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

COMPULSORY ENTERPRISE QUESTIONNAIRE

The following particulars must be furnished. In the case of a joint venture, **separate** enterprise questionnaires in respect of each partner must be completed and submitted.

Section 1: Name of enterprise:

Section 2: VAT registration number, if any:

Section 3: CIDB registration number, if any:

Section 4: Particulars of sole proprietors and partners in partnerships

Name*	Identity number*	Personal income tax number*

* Complete only if sole proprietor or partnership and attach separate page if more than 3 partners

Section 5: Particulars of companies and close corporations

Company registration number

Close corporation number

Tax reference number

Section 6: Record of service of the state

Indicate by marking the relevant boxes with a cross, if any sole proprietor, partner in a partnership or director, manager, principal shareholder or stakeholder in a company or close corporation is currently or has been within the last 12 months in the service of any of the following:

- | | |
|--|---|
| ☐ a member of any municipal council | ☐ an employee of any provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act 1 of 1999) |
| ☐ a member of any provincial legislature | |
| ☐ a member of the National Assembly or the National Council of Province | ☐ a member of an accounting authority of any national or provincial public entity |
| ☐ a member of the board of directors of any municipal entity | ☐ an employee of Parliament or a provincial legislature |
| ☐ an official of any municipality or municipal entity | |

If any of the above boxes are marked, disclose the following:

Name of sole proprietor, partner, director, manager, principal shareholder or stakeholder	Name of institution, public office, board or organ of state and position held	Status of service (tick appropriate column)	
		current	Within last 12 months

*insert separate page if necessary

Section 7: Record of spouses, children and parents in the service of the state

Indicate by marking the relevant boxes with a cross, if any spouse, child or parent of a sole proprietor, partner in a partnership or director, manager, principal shareholder or stakeholder in a company or close corporation is currently or has been within the last 12 months been in the service of any of the following:

- | | |
|--|---|
| ☐ a member of any municipal council | ☐ an employee of any provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act 1 of 1999) |
| ☐ a member of any provincial legislature | ☐ a member of an accounting authority of any national or provincial public entity |
| ☐ a member of the National Assembly or the National Council of Province | ☐ an employee of Parliament or a provincial legislature |
| ☐ a member of the board of directors of any municipal entity | |
| ☐ an official of any municipality or municipal entity | |

Name of spouse, child or parent	Name of institution, public office, board or organ of state and position held	Status of service (tick appropriate column)	
		current	Within last 12 months

*insert separate page if necessary

The undersigned, who warrants that he/she is duly authorised to do so on behalf of the enterprise:

- i) authorizes the Employer to obtain a tax clearance certificate from the South African Revenue Services that my / our tax matters are in order;
- ii) confirms that the neither the name of the enterprise or the name of any partner, manager, director or other person, who wholly or partly exercises, or may exercise, control over the enterprise appears on the Register of Tender Defaulters established in terms of the Prevention and Combating of Corrupt Activities Act of 2004;
- iii) confirms that no partner, member, director or other person, who wholly or partly exercises, or may exercise, control over the enterprise appears, has within the last five years been convicted of fraud or corruption;
- iv) confirms that I / we are not associated, linked or involved with any other tendering entities submitting bid offers and have no other relationship with any of the bidders or those responsible for compiling the scope of work that could cause or be interpreted as a conflict of interest;
- iv) confirms that the contents of this questionnaire are within my personal knowledge and are to the best of my belief both true and correct;

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a. take all reasonable steps to prevent such abuse;
 - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
5. In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

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

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity)

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

I certify, on behalf

of: _____ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.

9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

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

.....

Signature

.....

Date

.....

Position

.....

Name of Bidder

SCOPE OF WORK

BID NUMBER: MPO/08/2023

THE PROVISION OF AN INTERNAL AUDIT SERVICES FOR A PERIOD OF 36 MONTHS

1. INTRODUCTION

The internal Audit Activity is an independent appraisal function established within the Mpofana Municipality to examine and evaluate the economy, effectiveness and efficiency of its activities as a service to management and the Council.

The primary role of the internal audit function is to assist the municipality in the effective discharge of its responsibilities, by furnishing it with analysis, appraisals, recommendations and information concerning the activities reviewed.

According to the Municipal Finance Management Act (Act No. 56 of 2003) Chapter 14 Section 165, each Municipality must have an internal audit unit. This service may be outsourced if the municipality requires assistance with its capacity.

To have access to different specialized expertise it was decided to co-source the internal audit function with an internal audit service provider.

The service provider will assist the Municipality to accomplish the internal audit service objectives, and to assist in complying with the relevant legislation such as the MFMA, MSA, DoRA, MFPFA, etc.

The audit activity will report directly to the Accounting Officer (AO) and the Audit Committee.

The successful bidder will be required to perform a combination of the following audit services:

- Financial Auditing
- Performance Auditing
- Compliance Auditing
- Project Assurance
- Combined Assurance Audits

- Undertake information technology audits.
- Provide quality assurance reviews.
- Undertake any ad-hoc reviews.
- Forensic investigation audits as requested by ARC.

All reviews must meet the International Standards for the Professional Practice of Internal Auditing and Code Ethics of the Institute of Internal Auditors.

2. SCOPE OF WORK

In line with best practice the internal audit and risk management functions have been separated. This proposal covers the internal audit function only. The appointed service provider will be required to review Mpofana Municipalities risk management and governance processes and perform the following functions:

- Regularity Audits – These are risk-based audits, they deal with the assessment of adequacy and effectiveness of controls.
- Compliance reviews – These reviews assess the extent to which policies, procedures and processes comply with legislative requirements. They assess compliance to legislative requirements.
- Performance Audits – These are value for money audits and audits of performance information.
- IT Audits – These are general controls, application controls and information security reviews.
- Review of Annual Financial Statements – Review of financial statements to ensure accuracy, completeness, and compliance with relevant GRAP Standards and regulations.
- Planning, executing, and reporting on internal audit plan.
- Performing ad hoc internal audit including special investigation and control assignment as authorized by the Audit and Risk Committee.
- Preparing reports for timely and continuous submission to executive management, including the progress against approved plan and summary of significant findings

Develop a three-year internal audit strategic plan. The plan should take into account the assurance activities of relevant internal and external assurance providers. Based on this requirement, the successful service provider will be expected to work with the municipality to coordinate and develop comprehensive and integrated assurance plan for Mpofana Municipality.

- Develop a detailed risk based annual plan indicating the scope for each assignment.
- Provide a proposed timeline for the period of the project.
- Propose annual budgets for the duration of the project.
- Discuss coverage plans with management and the audit committee.

The firm will be further required to do the following:

Perform risk-based internal audit control and compliance reviews in terms of the proposed internal audit plan.

Perform audits in compliance with the Institute of Internal Auditors' standards on internal auditing.

- Plan and perform computer-based audits.
- Undertake performance review audits

Ensure that line management is fully aware of the implications of the audit findings on business operations and the subsequent recommendations.

Provide a final report on the outcome and findings of audits, including recommendations and agreed management corrective action for internal audit follow-up.

- Provide risk mitigation and control advice to management regarding the management of risks, with a summarised report to both executive management and the audit committee.
Provide summary reports to the audit committee on high-risk findings.
- Attend relevant audit committee and executive management meetings and provide feedback on audits completed and the management of risks.
- Provide an overall annual conclusion for the audit committee on the audited control environment.
- In planning and conducting its work, the consultant should seek to identify serious defects in the internal controls, which might result in possible malpractices. Any such defects must be reported immediately to the Municipal Manager or, alternatively, to the audit committee, without disclosing these to any other staff member.
- Work closely with the external auditors and other assurance providers to ensure that there is synergy of approach with little duplication of effort.
- Provide and implement a formal skills transfer process to relevant municipal staff.
- Have the capacity to deal with any special internal audit projects.
- Provide value-added services to management on how to improve the municipalities internal control environment

Fraud and irregularities

In planning and conducting its work, the internal audit service provider should seek to identify serious defects in the internal controls, which might result in possible malpractices. Any such defects must be reported

immediately to the Municipal Manager and/or Risk Management Committee, without disclosing these to any other staff. This also applies to instances where serious fraud and irregularities is uncovered.

3. STANDARDS

IA working papers must be in conformity with accepted best practices and the Standards of the IIA.

4. TECHNICAL SPECIFICATIONS

Expected Outcomes and Deliverables Performing audit assignments

Each assignment should at least consist of the following:

- Pre-audit survey
- Audit planning memorandum
- Minutes of entrance meeting
- Risk assessment document
- System descriptions
- Audit programs
- Sampling methodology
- Mechanisms for follow up on matters previously reported and feedback to the Audit Committee
- Mechanism to ensure that working papers are reviewed at the appropriate level.
- Record of work performed
- Audit of work performed
- Audit finding and recommendations
- Reporting (draft internal audit report and final internal audit report)
- Follow up of previous audit findings

Reporting requirements

The structure of the report is to be as follows:

- Introduction
- Audit objective and scope
- Background
- Executive summary highlighting significant findings
- Findings, recommendations and agreed management action (including implementation dates)

The auditor is to deliver to the Municipal Manager and chairperson of the Audit Committee an electronic copy and one signed copy of the final report to the IA for record keeping purposes.

5. STRUCTURE OF PROPOSAL

The bid must be structured in the following sequence when submitted. Each section/heading must be clearly marked for ease of reference. The headings required are:

1. Company Profile/s
2. Proposal
3. Implementation Plan
4. Organogram
5. CV's
6. Project Experience (Portfolio of Evidence)
7. Compulsory Documents (Checklist)
8. Special Conditions of Tender
9. Functionality assessment
10. Presentation
11. Pricing Schedule

6. PROJECT TIMEFRAME

The successful tenderer will be required to commence work on the project immediately after the awarding of the tender for a period of 3 years.

7. PROJECT LOCATION

The location of the project is the area covered by the Mpofana Municipality.

The bidder MUST include all components of their presentation in the submitted bid.

EVALUATION CRITERIA

- 1 The 80/20 adjudication criteria will apply when this Bid is adjudicated, and points will be allocated as follows :-
- | | |
|--------------------|------------|
| Price: | 80 Points |
| Preference Points: | 20 Points |
| Total | 100 Points |

- 2 80/20 Preference Point System in terms of the Municipality's SCM Policy.

- 3 **All bidders will be evaluated according to the following:**

3.1 **Phase 1: Administrative Compliance & Functionality**

A panel will evaluate all bids received on the functionality criteria as reflected. The evaluation criteria will be used for the purpose of pre-qualifying the service provider so that they can be recommended for price and preference phase. All bidders who don't score a minimum of sixty (60%) on functionality will be considered as being non-responsive and they will be disqualified from being considered as valid bidders.

3.2 **Phase 2: Functionality**

Minimum Required points: 70 points

3.3 **Phase 2: Preference and Price**

Price and Preference goal (ownership as a specific goal)

80/20 Preference Point System in terms of the Municipality's SCM Policy will be applicable as follows:

	POINTS
PRICE	80
SPECIFIC GOALS (20 POINTS)	
• Race – 100% Black Owned (HDP)	10
• Gender – 100% Woman Owned (HDP)	05
• Disability (HDP)	05
Total Points for Price and Specific Goal	100

Proof to claim Preference Goal: Ownership as a specific goal

- ID Copy
- Companies and Intellectual Property Commission (CIPC)
- Medical Certificate (if disabled)

STAGE ONE:**ADMINISTRATION COMPLIANCE**

a) Mandatory Requirements

- Valid Tax Clearance Certificate or PIN issued by SARS.
- Latest Proof of Central Supplier Database Registration (CSD Report). The service provider should be in good standing with the South African Revenue Services which will be verified through the CSD.
- Proof of Municipal Rates and Taxes.

Failure to provide any mandatory information required will result in the submission being deemed null and void and shall be considered non-responsive.

STAGE TWO:**FUNCTIONALITY**

No.	CRITERIA	SUB-POINTS	MAXIMUM POINTS	EVIDENCE
Experience of Tenderer (For similar works completed. This must be supported by the submission of Reference letters from current/previous clients.) Points are not cumulative; only highest applicable points will be awarded				
1	Company experience on internal audit. Demonstrate positive contribution to government Internal auditing	5 points to each letter (min 4 letters) 6 + References (30) 5 References (25) 4 References (20)	30	Reference letters from previous and current clients
Personnel's Experience (Bidders should provide proof of qualifications, skills, and experience of Personnel to be assigned and committed to work with the Municipality. Attach proof of CV's, Qualifications of Personnel, Proof of Registration with professional bodies).				
2	Project Team Leader Qualification Qualified chartered accountant (CA(SA)) and Registered Auditor (IRBA) Qualified chartered accountant (CA(SA)) only Experience 10+ years' post (CA(SA)) qualification experience	 15 5 15	30	Detailed CV and qualifications of Partner/Director.

	6+ years' but less than 10 years' post (CA(SA)) qualification experience	5		
	less than 6 years' post (CA(SA)) qualification experience	0		
3	Audit Team Audit Manager - 8+ years of audit experience Audit Supervisor - 6+ years of audit experience Senior Internal Auditor - 4+ years of audit experience Junior Internal Auditor - Bachelors Degree/ Diploma in Accounting or Auditing	5 5 5 5	20	Detailed CV and qualifications of audit team members.
4	Specialists Qualified IT Audit specialists must be Certified Information Systems Auditor (CISA) Forensic specialists must be a Certified Fraud Examiner (CFE) or Forensic Practitioner (SA)	5 5	10	Detailed CV and qualifications of specialists
Methodology (Clear proposal indicating clear understanding of internal audit functioning in a municipal environment)				
5	Methodology Clear methodology indicating clear understanding of internal audit functioning in a municipal environment No methodology submitted	10 0	10	Detailed methodology

100

Minimum Required points: 70 points

GENERAL CONDITIONS OF CONTRACT

The purpose of this Annexure is to:

- i. Draw special attention to certain general conditions applicable to Mpofana Municipality 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 Mpofana Municipality.
- In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.
 - The General Conditions of Contract will form part of all bid documents and may not be amended.
 - Special Conditions of Contract 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.

TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Contract amendments
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Dumping and countervailing duties
25. Force Majeure
26. Termination for insolvency
27. Settlement of disputes
28. Limitation of liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties

1. DEFINITIONS

- 1.1 The following terms shall be interpreted as indicated:
- 1.2 **"Closing time"** means the date and hour specified in the bidding documents for the receipt of bids.
- 1.3 **"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.
- 1.4 **"Contract price"** means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- 1.5 **"Corrupt practice"** means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public employee in the procurement process or in contract execution.
- 1.6 **"Countervailing duties"** are imposed in cases where an enterprise abroad is subsidized by its Mpofana Municipality and encouraged to market its products internationally.
- 1.7 **"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
- 1.8 **"Day"** means calendar day.
- 1.9 **"Delivery"** means delivery in compliance of the conditions of the contract or order.
- 1.10 **"Delivery ex stock"** means immediate delivery directly from stock actually on hand.
- 1.11 **"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.
- 1.12 **"Dumping"** occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
- 1.13 **"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.
- 1.14 **"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.
- 1.15 **"GCC"** means the General Conditions of Contract.
- 1.16 **"Goods"** means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract

- 1.17 **“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.
- 1.18 **“Local content”** means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.19 **“Manufacture”** means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.20 **“Order”** means an employee written order issued for the supply of goods for works or the rendering of a service.
- 1.21 **“Project site,”** where applicable, means the place indicated in bidding documents.
- 1.22 **“Purchaser”** means the organization purchasing the goods.
- 1.23 **“Republic”** means the Republic of South Africa.
- 1.24 **“SCC”** means the Special Conditions of Contract.
- 1.25 **“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.
- 1.26 **“Written”** or “in writing” means handwritten in ink or any form of 96 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 State Tender Bulletin. The State Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.employee.gov.za.

4. **STANDARDS**

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

5. **USE OF CONTRACT DOCUMENTS AND INFORMATION; INSPECTION**

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

6. **PATENT RIGHTS**

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

7. **PERFORMANCE**

- 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:
- 7.3.1. 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
- 7.3.2. 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 Municipality or an organization acting on behalf of the Municipality.
- 8.3. If there is 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 Energy Board 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 OF 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. 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.
- 15.6. If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. **PAYMENT**

- 16.1. The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2. The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon 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 contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

21. **DELAYS IN THE SUPPLIERS 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 local authorities.
- 21.4. The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.
- 21.5. Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.
- 21.6. Upon any delay beyond the delivery period in the case of 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:
- 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;
 - If the Supplier fails to perform any other obligation(s) under the contract; or
 - If the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.
- 23.2. In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

24. ANTI-DUMPING AND COUNTERVAILING DUTIES AND RIGHTS

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

25. FORCE MAJEURE

- 25.1. Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2. If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. TERMINATION FOR INSOLVENCY

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

27. SETTLEMENT OF DISPUTES

- 27.1. If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2. If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3. Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4. Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5. Notwithstanding any reference to mediation and/or court proceedings herein,
a. the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
b. the purchaser shall pay the supplier any monies due the supplier.
- 27.6. Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6.

28. LIMITATION OF LIABILITY

- 28.1. 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.
- 28.2. 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, Mpofana Municipality 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. 15
- 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.

PORTFOLIO OF EVIDENCE

Attach Portfolio of Evidence

SIGNATURE OF BIDDER:

DATE:

REFERENCE LETTERS SCHEDULE

Attach Reference Letters



SIGNATURE OF BIDDER:

DATE: