



## SIYANCUMA MUNICIPALITY

APPOINTMENT OF SUITABLE PROFESSIONAL SERVICE PROVIDER FOR REVIEW OF ANNUAL FINANCIAL STATEMENTS (AFS), ACCOUNTING SUPPORT AND ASSET REGISTER MAINTENANCE AND VERIFICATION FOR A PERIOD OF 36 MONTHS (THREE YEARS)

TENDER NUMBER: SIYA-FIN02/2025/26

Closing Date: 23/01/2026

Time: 11h00

Venue: Tender Box (Main Office)

Tender Documents: Printed copies of the tender can be obtained at a non-refundable fee, payable to a cashier at Siyancuma Local Municipality's Supply Chain Management Unit, Old FNB building, 13 Charl Cilliers Street, Douglas or by downloading documents from the Siyancuma Local Municipality website at [www.siyancuma.gov.za](http://www.siyancuma.gov.za), and on e-Tender Publication Portal at [www.etenders.gov.za](http://www.etenders.gov.za) at a non-refundable amount of R845.00 (EFT or cash). Bank recognizable proof of payments (in case of EFT payment) or Siyancuma Municipality receipt (for cash payment).

<b>Siyancuma Municipality</b> Budget and Treasury Office: Contact: S. Tarr Principal Accountant Tel: (053) 298 1810	<b>Siyancuma Municipality</b> Supply Chain Management Contact: C. Stenekamp Manager: Supply Chain Management Tel: (053) 298 1810
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<b>Name of Tenderer:</b> ..... <b>CSD No.: MAAA</b> ..... <b>Year one Amount:</b> ..... <b>Year two Amount:</b> ..... <b>Year three Amount:</b> ..... <b>TOTAL AMOUNT TENDERED:</b> ..... <b>ALL INCLUSIVE</b>
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## TENDER NO: SIYA-FIN02/2025/26

### 1. Tender Notice and Invitation

Siyncuma Municipality invites suitable service providers to bid for a professional service provider for review of annual financial statements (AFS), accounting support and asset register maintenance and verification for a period of 36 months (three years).

TENDER NUMBER	DESCRIPTION	COST	EVALUATION CRITERIA	CLOSING DATE AND TIME	CONTACT PERSON
SIYA-FIN02/2025/26	Suitable professional service for review of annual financial statements (AFS), accounting support and asset register maintenance and verification for a period of 36 months (three years).	R845.00 at the municipality, on the municipal website and e-tender portal	80/20, functionality criteria, price & specific goals	23/01/2026 @11h00	Mr. S. Tarr (053) 298 1810

The tender is to be deposited in the tender box Siyncuma Municipality offices, Charl Cilliers Street in DOUGLAS, by the closing date and time as mentioned above, where after they will be opened in public. No late, emailed, faxed or Document found in any other place will be considered.

#### **Bidders should take note of the following bidding conditions:**

- **Siyncuma Municipality Supply Chain Management Policy shall apply in the evaluation and awarding of the Tender.**
- **Siyncuma Municipality does not bind itself to accept the lowest tender, reserves the right to accept the whole or part of the Tender and reserves the right not to appoint.**
- **The Bid validity shall be 90 (Ninety) days from the date of closure.**
- **Bidders must provide proof of the following to avoid disqualification: CSD report (Printed between the date of advert and closing date, certified ID Copies of all directors, statement of municipal rates and taxes for both company and director(s) (not older than 3 months)/letter from traditional authority not older than 3 months/ lease agreement, Key personnel/service team's experience (attach certified copies of qualifications and CV), CK/Company Registration, Valid tax clearance or tax pin; proof of work experience (attach relevant appointment letters). All the relevant returnable documents are attached in the tender document.**
- **The minimum score for functionality will be 70 points and bidders who score below 70 points will not be evaluated further on price and specific goals.**

**MR M VILAKAZI  
MUNICIPAL MANAGER**

## **OBJECTIVE**

To assist Siyancuma Local Municipality for review of annual financial statements (AFS), accounting support and asset register maintenance and verification for a period of 36 months (three years).

## **BID CONDITIONS AND INFORMATION**

### **1. Bidders must adhere to the bid conditions, otherwise the bid will be disqualified.**

### **2. Agreement**

The successful bidder will be expected to sign the service Level agreement after appointment by the Siyancuma Municipality that his/her bid has been accepted.

### **3. Completion of Bid Documents**

- a) The original bid document must be completed fully in black ink and signed by the authorised signatory to validate the proposal. All the pages must be initialled by the authorised signatory. Failure to do so may result in the invalidation of the bid,
- b) Bid documents may not be re-typed or altered in any way, Bidder must complete the original issued bid document and original issued returnable.
- c) Tender documents must be completed with non-erasable ink. Any tender document completed with pencil will not be acceptable and shall be disqualified.
- d) Ensure that there are no errors or omissions.
- e) Bids price submitted must include vat where applicable.
- f) Failure to comply with any of the above will result in the invalidation of the bid

### **4. Alteration or Qualification of Bid**

- a) No unauthorised alteration of this set of bid documents will be allowed after the closing date. Any unauthorised alteration will disqualify the proposal automatically. Any ambiguity has to be cleared with contact person for the bid before the closure date.
- b) The submission should be entirely legible. Any changes made to the original text of bid should be crossed through and signed for. DO NOT USE CORRECTION FLUID as this may invalidate your submission.

### **5. Signatory**

- a) A copy of the recorded Resolution taken by the Board of Directors, members, partners or trustees authorising the representative to submit this bid on the bidder's behalf must be attached to the Bid Document on submission of same where applicable.
- b) A bid shall be eligible for consideration only if it bears the signature of the bidder or of some person duly and lawfully authorised to sign it for and on behalf of the bidder

## **6. Submission of Bid**

- a) The bid must be put in a sealed envelope, or envelopes when the two-envelope system is specified, clearly marked with the bid number, title as well as closing date and time and placed in the Tender Box at the Siyancuma Local Municipality
- b) Faxed, emailed and late bids will not be accepted. Bids may be delivered by hand, by courier, or posted at the bidder's risk and must be received by the deadline specified above, irrespective of how they are sent or delivered.
- c) Clearly mark the back of the envelope with your bidder's name and address.

## **7. Opening, Recording and Publications of Bids Received.**

- a) Bids will be opened in public immediately after the bid closure date, or at such time as specified in the bid documents. If requested by any bidder present, names of the bidders, and if practical the total amount of each bid and of any alternative bids will be read out loud.
- b) Bids received in time recorded and entered in a register which is open for public inspection.
- c) Late bids will be registered and returned unopened unless the bidder did not clearly specify their address at the back of the envelope.

## **8. Tax Clearance Certificate, Tax Matters and VAT**

- a) Tender offers will only be accepted if the tenderer provides written proof from SARS that the tenderer either has no Tax obligations or has made arrangements to meet outstanding Tax obligations.
- b) Upon submission of a bid/quote the bidder automatically grants confirmation that SARS may, on an ongoing basis during the contract term disclose the bidders Tax Compliance status to the municipality.
- c) Prices must always be VAT inclusive where applicable.

## **9. Evaluation of Bids**

Bids will be evaluated in terms of their responsiveness to the bid specifications and requirements as well as such additional criteria as set out in the bid document.

## **10. Acceptance or Rejection of a Bids**

The Siyancuma Municipality reserves the right to withdraw any invitation to submit a bid and/or to re-advertise or to reject any bid or to accept a part of it. The Siyancuma Municipality does not bind itself to accepting the lowest bid.

**11. Registration on Accredited Supplier Database**

It is expected of all prospective service providers who are not yet registered on the Central Supplier Database to register online ([www.csd.gov.za](http://www.csd.gov.za)). The Siyancuma Municipality reserves the right not to award proposals to prospective suppliers who are not registered on the CSD (Central Supplier Database).

**12. Specific Goals**

**Table for specific Goal -** For points to be allocated for locality, ownership, and the bidders will be required to submit proof of documentation as evidence which may be in the form of the following:

Specific Goals	Points	Required Proof
<b>Ownership</b>		
% Black Ownership	3	Certified declaration(valid B-BBEE certificate may also be used)/certified founding documents of the company which ownership is listed
% Women Ownership	5	Certified declaration(valid B-BBEE certificate may also be used)/certified founding documents of the company which ownership is listed/certified ID copy of the women
% Disability Ownership	2	Certified declaration/certified founding documents of the company which ownership is listed/certified declaration from your medical doctor certifying the degree of disability
<b>Locality</b>		
Within the boundaries of Siyancuma Local Municipality	6	Physical address of company/registration number of enterprise/registration number awarded and location of office of local authority where levies are paid
Within the boundaries of Northern Cape	4	Physical address of company/registration number of enterprise/registration number awarded and location of office of local authority where levies are paid
<b>Points Allocated</b>	<b>20</b>	

## PROCUREMENT POLICY SCHEDULE (80/20)

### Definitions

- **“Historically Disadvantaged Individual” (HDI)** is defined as a South African citizen

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- 1) who, due to the apartheid policy that was in place, had no voting rights in the national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act No. 100 of 1983) or the Constitution of the Republic of South Africa, 1993 (Act No. 200 of 1993) (*“the interim Constitution”*), and/or
- 2) who is a woman, and/or
- 3) who has a disability

With the understanding that any person who received South African citizenship on or before the introduction of the interim Constitution, will not be deemed to be HDI.

- **“A woman”** refers to a female person who is a South African citizen.
- **“Disability”** refers to a person with a permanent physical disability, mental disability, awareness disability, which leads to confinement or disability, or the inability to perform bodily functions in the manner or within the capacity of a normal person.
- **“HDI equity ownership”** refers to the percentage of a partnership or business that is owned by individuals, or in the case of a company, the percentage of shares which is owned by individuals who are actively involved in the management decisions and day to day operational activities of the company or business and who exercises control in the business in relation to their ownership at the close of tender. Where individuals are not actively involved in the management and day to day operational activities of the business and who does not exercise control in relation to the percentage of their ownership, Equity ownership points cannot be awarded.

Tenderers will be awarded points on the following basis:

1. Tender Price	80 points
2. Black	3 points
3. Women – Equity ownership	5 points
4. Disability – Equity ownership	2 points
5. Local nature of enterprise	<u>10 points</u>
TOTAL	100 points

Calculations will be done to two decimal points.

### 1 Tender Price

The calculation is based on the following formula:

$$\left[ (P_t - P_{\min}) \right]$$

$$P_s = 80 \times \left[ 1 - \left| \frac{P_t - P_{\min}}{P_t - P_{\min}} \right| \right]$$

where

$P_s$  = Points awarded for price of tender under consideration  
 $P_t$  = Rand value of tender under consideration  
 $P_{\min}$  = Rand value of lowest accepted tender

## 2 Black Ownership

A maximum of 3 points will be awarded to a Tenderer who did not have voting rights according to the definition of an HDI and/or who is using a subcontractor who is such a person.

Black ownership for black will be determined by the % of the enterprise owned by such a person or by the % of shares owned by members who are actively involved in the day to day activities of the company or enterprise.

% of Enterprise owned by persons who did not having voting rights %

Thus, points awarded:  $3 \times \frac{\text{K K \%}}{100} =$   (carry over to 6.1)

Proof of ownership must be attached in the form of

- 1) certified declaration
- 2) a certified copy of the founding documentation of the company with which the ownership is listed

## 3 Women – Equity Ownership

A maximum of 1 point will be awarded to a Tenderer who is a woman and/or who is using a subcontractor that is a woman.

Equity ownership for women will be determined by the % of the enterprise owned by such a person or by the % of shares owned by members who are actively involved in the day to day management of the company or enterprise.

% of Enterprise owned by women .....%

Thus, points awarded:  $5 \times \frac{\text{K K \%}}{100} =$   (carry over to 6.2)

Proof of ownership must be attached in the form of

- 1) certified declaration
- 2) a certified copy of the founding documentation of the company with which the ownership is listed
- 3) a certified copy of the ID-document (s) of the woman(e)n

#### 4 Disability – Equity Ownership

A maximum of 1 point will be awarded to a Tenderer who is disabled and/or who is using a disabled subcontractor.

Equity ownership for disability will be determined by the % of the enterprise owned by such a person or by the % of shares owned by members who are actively involved in the day to day activities of the company or enterprise.

% of Enterprise owned by disabled person(s) ..... %

Thus points awarded:  $2 \times \frac{\text{K K \%}}{100} =$   (carry over to 6.3)

Proof of ownership must be attached in the form of

- 1) certified declaration

- 2) a certified copy of the founding documentation of the enterprise with which the ownership is listed
- 3) a certified declaration from your medical doctor certifying the degree of disability

## 5 Local Nature of Enterprise

A maximum of 10 points will be awarded to a Tenderer who has an active office in the following areas:

- a) Within the boundaries of Northern Cape?

YES - 4 points  
NO - 0 points

- 1) Within the boundaries of the Siyancuma Local Municipality registered as a levy duty payer?

YES - 6 points  
NO - 0 points

TOTAL POINTS AWARDED FOR LOCAL NATURE OF ENTERPRISE

**13. Tender offers will only be accepted if: -**

- a) the tenderer or any of its directors/shareholders is not listed on the Register of Tender Defaulters in terms of the Prevention and Combating of Corrupt Activities Act of 2004 as a person prohibited from doing business with the public sector terms of the Prevention and Combating of Corrupt Activities Act of 2004 as a person prohibited from doing business with the public sector.
- b) the tenderer has not:
  - 1. abused the Employer's Supply Chain Management System.
  - 2. or failed to perform on any previous contract and has been given a written notice to this effect.
  - 3. and the tenderer has completed the Compulsory Declaration and there are no conflicts of interest which may impact on the tenderer's ability to perform the contract in the best interests of the employer or potentially compromise the tender process.

**14. Requirements for the Joint Venture**

- a) J V agreement,
- b) letter of signatory.

**15. Site Inspection Information Meetings**

None

**16. Procurement Policy**

- a) Bids will be awarded in accordance with the Preferential Procurement Regulations, 2022 pertaining to the Preferential Procurement Policy Framework Act, No 5 of 2000.
- b) The latest General Conditions of Contract and any Special Conditions of Contract will apply
- c) The Siyancuma Local Municipality Supply Chain Management Policy will apply. This policy is obtainable from Siyancuma Local Municipality offices and is available on the municipal website.

**17. Expenses Incurred in Preparation of Bid**

The Siyancuma Municipality shall not be liable for any expenses incurred in the preparation and submission of the bid.

**18. Wrong Information Furnished**

Where a contract has been awarded on the strength of the information furnished by the bidder which, after the conclusion of the relevant agreement, is proved to have

been incorrect, the Siyancuma Municipality may, in addition to any other legal remedy it may have, recover from the contractor all costs, losses or damages incurred or sustained by the Municipality as a result of the award of the contract.

#### **19. Validity Period**

Bids shall remain valid for 90 days after the bid closure date.

#### **20. General and Special Conditions of Contract**

The General Conditions of Contract as well as any Special Conditions of Contract that may form part of this set of bid documents will be applicable to this bid in addition to the conditions of bid.

#### **21. Municipal Rates, Taxes and Charges**

The bidder to provide their municipal account of rates and taxes of both the Bidding entity and its directors' in its Bid Document submission. Any bidder which is or whose directors are in arrears with their municipal rates and taxes due to any Municipality within South Africa for more than three months and have not made an arrangement for settlement of or same before the bid closure date will be disqualified

If the bidder is renting the office a Lease Agreement must be attached to the bid document

#### **22. Contact with Municipality after Bid Closure Date**

Bidders shall not contact the Siyancuma Municipality on any matter relating to their bid from the time of the opening of the bid to the time the contract is awarded for additional information in respect of amendments of bids. Any effort by the firm to influence the Siyancuma Municipality in the bid evaluation, bid comparison or contract award decisions may result in the rejection of the bid.

#### **23. Evaluation Criteria**

The minimum point to be scored for functionality / quality should be equal to 70 % in order to be considered for further evaluation. Failing to score the minimum required points will lead to immediate disqualification.

##### **23.1 Functionality requirements**

Requirements for professional services team (Team Members must be SAICA Registered)

The following are minimum requirements for the professional services team. Failure to comply with the minimum requirements for the professional services team will lead to the tender being regarded as non-responsive and will lead to disqualification of the tenderer. The tenderer must ensure that CVs as well as certified copies of academic qualifications and professional registrations and/certification are included in their tender submissions.

The proposed project leader may fulfil anyone (only) one of the roles of the following key project team members, however, in such an instance the proposed project team leader must comply with the requirements set for both the project team leader as well as the key team role to be fulfilled. Key team roles, in addition to the project leader, are:

- The asset management specialist
- The project lead accountant – Senior Manager - AFS
- The project lead accountant – Senior Manager - FAR
- The project lead engineer

**Table 1: Professional registrations and awarding body**

Professional registration / certification		Awarding body	
Chartered Accountant	CA(SA)	South African Institute of Chartered Accountants	SAICA
Certified Senior Practitioner in Asset Management	CSAM	South African Asset Management Association	SAAMA
Professional Engineer	Pr.Eng	Engineering Council of South Africa	ECSA
Professional Engineering Technologist	Pr.Tech. Eng	Engineering Council of South Africa	ECSA
Professional GISc Practitioner	N/A	South African Geomatics Council	SAGC

**Table 2: Minimum requirements for professional services team**

<b>Resource</b>	<b>Minimum academic qualifications</b>	<b>Professional registration and/or certification</b>	<b>Minimum years professional experience</b>
Project leader	Honours degree or higher in the management sciences, accounting or a built environment discipline	Any of the following:  CSAM CA(SA) Pr.Eng or Pr. Tech. Eng	15 years
Asset management specialist	Minimum of Bachelors degree or equivalent	Member of SAAMA	10 years
Project lead accountant	Honours degree in Accounting	CA(SA)	15 years
Project lead engineering professional	Minimum of Bachelors degree or equivalent	Registration as either a Pr. Tech Eng or as a Pr. Eng	10 years
GIS Professional	Minimum of Bachelors degree or equivalent	Registration as a Pr GISc	5 years

### **23.2 Company Track Record**

Given the importance of sound financial management and the impact of audit outcomes related to the asset register and quality of annual financial statements, the Siyancuma Local Municipality wishes to procure the services of a capable asset management company and financial statements quality review with a strong track record of success related to the scope of services required. Accordingly, tenderers need to demonstrate:

A track record of success in the establishment, maintenance and updating of financial asset registers in the public sector environment, and reference letters from at least three (3) public sector clients within the past five (5) years indicating clean audit outcomes on asset registers prepared by the tenderer.

### **23.3 Capacity Building and Skills Transfer**

Tenderers must submit a clear methodology on the transfer of skills.

### **23.4 Methodology**

Tenderers must submit a clear methodology on how work is to be executed.

## **24. EVALUATION OF TENDER OFFERS**

The procedure for the evaluation of responsive tender offer is the 80/20 preference. Pricing Low does not guarantee appointment. A firm must obtain a minimum of 70 points out of the 100 points on functionality to be considered for price and BBB-EE evaluation where the 80 will be used for price only and the 20 for points awarded for specific goals.

Any false information provided by the bidder will lead to automatic disqualification

All supporting documents must be submitted at the time of tender submission to enable the bid to be evaluated in accordance with the procedure outlined, the evaluation team will score each tender on the information provided (*Please index file accordingly*).

NO	CRITERIA	WEIGHT
1.1	<b>Organisational Experience in Similar projects:</b> Previous experience of similar tasks <b>(Please attach appointment letters and reference letters)</b>	<b>30</b>
	Over 5 projects (5 AFS and 5 Asset Register)	30
	3-5 projects	20
	1-2 projects	10
1.2	<b>Reference letters indicating unqualified audit outcomes on similar work on AFS and Asset Registers</b> prepared by the tenderer in the past 3 years from public sector clients (Provide reference letters and Audit Reports) * <i>* A reference letter indicating that the service provider managed to improve an audit outcome relating to the work similar to this advertised task, following first appointment by a client *Reference letters to be Stamped by client.</i>	<b>15</b>
	The tenderer did not provide reference letters	0
	The tenderer provided 5 or less reference letters	10
	The tenderer provided six and above reference letters	15
2.	<b>Qualification and experience (CV's and certified copies of qualifications and ID's of all officials working on the project should be included. An organogram which clearly outlines the project team should be submitted along with this document. Failure to submit certified copies will lead to disqualification)</b>	<b>40</b>
	CA(SA) with AFS and FAR compilation experience (10 points) <ul style="list-style-type: none"> <li>1-2 years : 2 points</li> <li>3-4 years : 5 points</li> <li>4 years+ : 10 points</li> </ul>	10
	Asset management Specialist (CASM)* The Asset Management Specialist is not a CASM The Asset Management Specialist is a CASM <i>* Certified Senior Practitioner in Asset Management (CASM) is a qualification awarded by the South African Asset Management (SAAMA)</i>	10
	Professional Engineer (ECSA registered) with FAR compilation experience (10 Points). <ul style="list-style-type: none"> <li>1-2 years: 2 points</li> <li>3-4 years: 5 points</li> <li>4 years+: 10 points</li> </ul>	10
	<ul style="list-style-type: none"> <li>Actuaries: Employee benefits (5 points) <ul style="list-style-type: none"> <li>1-2 years: 1 point</li> <li>3-4 years: 2 points</li> <li>4 years+: 5 points</li> </ul> </li> </ul>	5
	Landfill Site Valuations and Provisions (5 points) <ul style="list-style-type: none"> <li>1-2 years: 1 point</li> <li>3-4 years: 2 points</li> <li>4 years+: 5 points</li> </ul>	5

	Support Staff: Trainee Accountants – no points will be allocated for support staff		
4.	<b>Methodology</b>		<b>15</b>
	No methodology was provided	0	
	The methodology presented is unlikely to lead to achievement of the project objectives and/or: Does not address the full scope of the project Is unclear Does not take into consideration project risks, timelines, or other important considerations	5	
	A clear, robust methodology was presented that fully addresses the scope of work to be performed over the entirety of the contract period. Key project risks were identified, and mitigation measures proposed. A project plan has been submitted that considers statutory submission dates and other key considerations. The skills transfer plan should form part of this methodology.	10	
	<b>TOTAL</b>		<b>100</b>

To qualify for the next step in the evaluation bidders must have a minimum score of 70% or above on functionality.

## **SCOPE OF WORK - ASSETS**

The Municipality has the following which form the scope of work required:

- 1) Physical verification and labelling of all assets of the Municipality, to ensure completeness and existence of property, plant and equipment;
- 2) The municipality will provide barcodes;
- 3) Assign and effect a unique asset identification number by bar-coding and capturing new assets not included in the current fixed asset register;
- 4) Verification to be performed via an asset verification tool – (including the license fee of the tool to be used – municipal staff to be trained and utilized for verification);
- 5) Provide a detailed report of verification to be used to update the FAR in accordance with the accounting practices as prescribed by GRAP, MFMA and National treasury guidelines;
- 6) Reconcile capital work-in-progress noting amounts that require capitalization and unbundling;
- 7) The re-assessment of useful lives, residual values, conditional assessment and possible impairment losses of Property, Plant and Equipment during the verification process of all assets;
- 8) Unbundling of completed projects and reconciliation from WIP to the FAR detailed report;
- 9) Calculations of the adjusting journals for the re-assessments of the useful lives and residual values;
- 10) Investigate and correct prior year errors if any, thereby assisting the entity in successfully addressing the audit findings and qualifications on PPE as per the Auditor-General's report;
- 11) Review and update a Fixed Asset Management Policy – GRAP17 compliant;
- 12) Obtain GPS co-ordinates for immovable assets and provide an updated GIS viewer;
- 13) Provide detail methodology applied for assessment and impairment of assets where applicable; Identification, measurement and recording of possible impairment losses;
- 14) Prepare an Audit file with supporting documents for all adjustments made;
- 15) Compile an Asset management plan compilation and maintenance of the plan;
- 16) Provide support during the audit process and resolve all queries relating to this appointment, including accompanying auditors on site visits (verification) and attend meetings to resolve audit findings in order to achieve a clean audit opinion;
- 17) Transfer of skills to the Municipal Officials; and
- 18) Close out report.

## **SCOPE OF WORK - AFS**

The Scope of work required for the review of Annual Financial Statements and Interim Financial Statements is as follows:

- 19) Annual Financial Statements (AFS) complies with Municipal Finance Manage Act (At No. 56 of 2003) (MFMA), Municipal Standard Chart of Accounts (mSCOA) and Generally Recognised Accounting Practice (GRAP) Standards;
- 20) AFS agrees to prior year audited AFS and general ledger;
- 21) Prior year Auditor General findings raised were correctly addressed during the preparation of the AFS;

- 22) AFS are correctly casted and cross-casted;
- 23) Notes to the AFS are properly numbered and correctly linked to the AFS;
- 24) Review of information in the audit file to ensure that the information provided to Auditor General are accurate and adequate;
- 25) Consistency and alignment of accounting policies in the AFS with the standards of GRAP and policies adopted by council;
- 26) Preparation of accounting policy documents to align with current year GRAP amendments where necessary;
- 27) AFS agrees to the fixed assets register, debtor's age analysis and other supporting documentation;
- 28) AFS balance with the financial system generated trial balance and general ledger;
- 29) All Financial Performance items reconcile;
- 30) Perform any other action that will ensure that the quality of the annual financial statements is enhanced prior to submission to the Auditor General on 31 August; and
- 31) Close out report.

#### **SCOPE OF WORK – MEASUREMENT OF COSTS TO REHABILITATE LANDFILL SITES**

- 32) Physically verify all landfill sites within the municipal area.

#### **SCOPE OF WORK - PROVISION OF ACTUARIAL SERVICES TO CONDUCT ACTUARIAL VALUATIONS ON THE FOLLOWING**

- 33) Actuarial valuation of post-employment medical aid liability (PEMA); and
- 34) Actuarial valuation of Long Service Awards (LSA) to municipal employees

## 1. Prerequisite /Service Provider Requirements

- 1.1 Bidders must attach signed declaration of interest forms attached
- 1.2 Company registration certificate
- 1.3 Original valid tax clearance certificate / letter from SARS with a valid pin code
- 1.4 Latest CSD summary report not older than 1 month.
- 1.5 Power of attorney/ letter of authority for signatory if applicable
- 1.6 Joint venture agreements where applicable
- 1.7 Proof of municipal account (not in arrears for more than 3 months).
- 1.8 Certified ID copies of the directors/ members/ proprietors

## 2. Pricing

The price must be **all inclusive**, e.g. Travelling, Accommodation etc.

	Year 1	Year 2	Year 3
Review Annual Financial Statements	R	R	R
Landfill site provision	R	R	R
Actuarial valuations	R	R	R
Assets Register Maintenance and Verification	R	R	R
Audit support – (120 hours)	R	R	R
<b>Total all inclusive</b>	<b>R</b>	<b>R</b>	<b>R</b>

### Total Amount Tendered for

Year	Amount (All Inclusive)
• Year one total costs	
• Year two total costs	
• Year three total costs	
<b>TOTAL AMOUNT TENDERED (All Inclusive):</b>	

**DECLARATION OF INTEREST**

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

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

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

3.2 Identity Number: .....

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

3.4 Company Registration Number: .....

3.5 Tax Reference Number:.....

3.6 VAT Registration Number: .....

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

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

3.8.1 If yes, furnish particulars. ....

.....

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

(a) a member of –

- (i) any municipal council;
- (ii) any provincial legislature; or

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

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

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

3.9.1 If yes, furnish particulars.....

.....

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

3.10.1 If yes, furnish particulars.

.....

.....

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

3.11.1 If yes, furnish particulars  
.....  
.....

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

3.12.1 If yes, furnish particulars.  
.....  
.....

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

3.13.1 If yes, furnish particulars.  
.....  
.....

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

3.14.1 If yes, furnish particulars:  
.....  
.....

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

Full Name	Identity Number	State Employee Number

.....

Signature

.....

Date

.....

Capacity

.....

Name of Bidder

**MBD 5**

**DECLARATION FOR PROCUREMENT ABOVE R10 MILLION (ALL APPLICABLE TAXES INCLUDED)**

For all procurement expected to exceed R10 million (all applicable taxes included), bidders must complete the following questionnaire

1 Are you by law required to prepare annual financial statements for auditing?

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

.....

.....

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

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

2.2 If yes, provide particulars.

.....

.....

.....

.....

\* Delete if not applicable

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

**YES / NO**

3.1 If yes, furnish particulars

**YES / NO**

.....  
.....

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

**\*YES / NO**

- 4.1 If yes, furnish particulars

.....  
.....

### **CERTIFICATION**

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

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

**I ACCEPT THAT THE STATE MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.**

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder

## MBD 6.1

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

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

**NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022.**

## 1. GENERAL CONDITIONS

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

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

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

1.3. Preference points for this bid shall be awarded for:

- (a) Price; and
- (b) Specific goals

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

	POINTS
<b>1.3.1.1. PRICE</b>	.....
<b>1.3.1.2. SPECIFIC GOALS</b>	.....
<b>Total points for Price and specific goals must not exceed</b>	<b>100</b>

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

## 2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form

determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and

(e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

### 3. POINTS AWARDED FOR PRICE

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

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

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

Where

Ps = Points scored for comparative price of bid under consideration

Pt = Comparative price of bid under consideration

Pmin = Comparative price of lowest acceptable bid

#### 4. BID DECLARATION

Bidders who claim points in respect specific goals must complete the following:

#### 5. Price and Specific goals CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.3.1.1.

Specific goals of Contribution: ... = (maximum of 10 or 20 points)

(Points claimed in respect of paragraph 5 .1 must be substantiated by relevant proof by the bidder.)

5.1

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 bidder)
Specific Goals	Points	
<b>Ownership</b>		
% Black Ownership	3	
% Women Ownership	5	
% Disability Ownership	2	
<b>Locality</b>		
Within the boundaries of Siyancuma Local Municipality	6	
Within the boundaries of Northern Cape	4	
Total points claimed	/20	

#### 6. DECLARATION WITH REGARD TO COMPANY/FIRM

6.1 Name of company/firm : .....

6.2 VAT registration number : .....

6.3 Company registration number : .....

##### 6.4 TYPE OF COMPANY/ FIRM

☐ Partnership/Joint Venture / Consortium

☐ One person business/sole propriety

☐ Close corporation

☐ Company

☐ (Pty) Limited [TICK

APPLICABLE BOX]

##### 6.5. DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

6.6 COMPANY CLASSIFICATION

- ☐ Manufacturer  
☐ Supplier  
☐ Professional service provider

Other service providers, e.g. transporter, etc.[TICK APPLICABLE  
BOX]

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

I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBEE status level of contribution indicated in paragraph 7 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- (i) The information furnished is true and correct;
- (ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form.
- (iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 7, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- (iv) If the B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
  - (a) disqualify the person from the bidding process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the audi alteram partem (hear the other side) rule has been applied; and
  - (e) forward the matter for criminal prosecution

**WITNESSES:**

1. ....

2. ....

.....  
SIGNATURE(S) OF BIDDER(S)

DATE:.....

ADDRESS:.....

.....

.....

.....

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

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

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

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

### CERTIFICATION

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

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

.....  
**Signature**

.....  
**Date**

.....  
**Position**

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

## MBD 9 CERTIFICATE OF INDEPENDENT BID DETERMINATION

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

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

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

## MBD 9 CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

---

Bid Number and Description) in response to the invitation for the bid made by:

---

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of:

---

that:  
(Name of Bidder)

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

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

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

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

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder

# ***THE CONTRACT***

<b>AGREEMENT AND CONTRACT INFORMATION</b>
---

<b>FORM OF OFFER AND ACCEPTANCE</b>
-------------------------------------

**SHORT DESCRIPTION OF SERVICE/WORK:**

Suitable service providers to bid for a professional service provider GRAP compliant Annual Financial Statements (AFS) quality review and to conduct assets maintenance and verification for a period of 36 months (three years).

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

---

The Tenderer, identified in the offer signature block, has examined the documents listed in the Tender Data thereto as listed in the Tender schedules and by submitting this offer has accepted the conditions of Tender.

By the representative of the Tenderer, deemed to be duly authorized, signing this part of this form of offer and acceptance, the Tenderer 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.

**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 Tenderer before the end of the period of validity stated in the Tender date, whereupon the Tenderer becomes the party named as the contractor/supplier in the conditions of contract identified in the Contract.

Signature(s)

\_\_\_\_\_  
Name(s)

\_\_\_\_\_  
Capacity

For the Tenderer

\_\_\_\_\_  
(Name and address of organization)

\_\_\_\_\_  
(Name and signature of witness)

Date\_\_\_\_\_

<b>ACCEPTANCE</b>
-------------------

By signing this part of this form of offer and acceptance, the Employer identified below accepts the Tenderer'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 Document. Acceptance of the Tenderer's offer shall form an agreement between the Employer and the Tenderer 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:

**AGREEMENT AND CONTRACT GENERAL**

Documents or part thereof, which may be incorporated by reference into the above.

Deviations from and amendments to the documents listed in the Tender Information and any addenda thereto as listed in the Tender document as well as any changes to the terms of the offer agreed by the Tenderer 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 authorised representative(s) of both parties.

Notwithstanding anything contained herein, this agreement comes into effect on the date when the Tender received one fully completed original copy of this document, including the schedule of deviations (if any). Unless the Tenderer within 5 (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

(Name and address of organization)

(Name and signature of witness)

Date

It is expressly agreed that no other matter whether in writing, oral communication or implied during the period between the issue of the Tender documents and the receipt by the Tenderer of a completed signed copy of the agreement shall have any meaning or effect in the contract between the parties arising from this agreement

For the Tenderer:

Signature(s)

---

Name(s)

---

Capacity

---

---

(Name and address of organization)

---

Name and signature of witness

Date

---

For the Employer:

Signature(s)

---

Name(s)

---

Capacity

---

---

(Name and address of organization)

---

Name and signature of witness

Date

---

<b>CONTRACT AGREEMENT – SIGNING OF DOCUMENTS</b>
--

**SHORT DESCRIPTION OF THE WORKS:**

Suitable service providers to bid for a professional service provider GRAP compliant Annual Financial Statements (AFS) quality review and to conduct assets maintenance and verification for a period of 36 months (three years).

We, the undersigned, on behalf of the parties to this contract agreement, hereby agree as follows:

Upon signature of the document headed "Contract Agreement", a formal agreement between the parties incorporating all the terms and conditions reflected in the original Tender Document, shall come into existence.

That the original Tender Document, which is in safe-keeping with the Client, shall be regarded as the only true record of the terms and conditions of the Agreement between the parties.

That the Tender Document consists of the items reflected in the attached copies of the Tender Document contents pages.

**WITNESSES**

1. \_\_\_\_\_

\_\_\_\_\_  
**CONTRACTOR**

2. \_\_\_\_\_

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

**WITNESSES**

1. \_\_\_\_\_

\_\_\_\_\_  
**CLIENT**

2. \_\_\_\_\_

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

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

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

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

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

NAME (PRINT).....

CAPACITY .....

SIGNATURE.....

NAME OF FIRM.....

DATE .....

**WITNESSES**

1. ....

2. ....

DATE: .....

**CONTRACT FORM - PURCHASE OF GOODS/WORKS  
PART 2 (TO BE FILLED IN BY THE PURCHASER)**

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

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

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

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

NAME (PRINT) .....

SIGNATURE .....

OFFICIAL STAMP

WITNESSES

1. ....

2. ....

DATE .....

# ***SIYANCUMA MUNICIPALITY PROCUREMENT***

## **GENERAL CONDITIONS OF CONTRACT**

### **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.	Variation orders
19.	Assignment
20.	Subcontracts
21.	Delays in the supplier's performance
22.	Penalties
23.	Termination for default
24.	Anti-Dumping and countervailing duties and rights
25.	Force Majeure
26.	Termination for insolvency
27.	Settlement of disputes
28.	Limitation of liability
29.	Governing language
30.	Applicable law
31.	Notices
32.	Taxes and duties
33.	Transfer of contracts
34.	Amendment of contracts
35.	Prohibition of restrictive practices

## **General Conditions of Contract**

### **1. Definitions:**

1. The following terms shall be interpreted as indicated:

- 1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
- 1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- 1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- 1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
- 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- 1.7 "Day" means calendar day.
- 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
- 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
- 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the goods are so delivered and a valid receipt is obtained.
- 1.11 "Dumping" occurs when a private enterprise abroad markets its goods on its own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
- 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be

imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the goods covered by the bid will be manufactured.

- 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value- adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.25 "Supplier" means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.
- 1.26 "Tort" means in breach of contract.
- 1.27 "Turnkey" means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.
- 1.28 "Written" or "in writing" means hand-written in ink or any form of electronic or mechanical writing.

## 2. Application:

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services (excluding professional services related to the building and construction industry), sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific 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 Invitations to bid are usually published in locally distributed news media and on the municipality/municipal entity website.

## 4. Standards:

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

7. Performance security:

- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
- (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
  - (b) a bank guarantee.
- 7.4 The performance security will be discharged by the purchaser and returned to the provider not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified.

8. Inspections, tests and analyses:

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that goods to be produced or services to be rendered should at any stage be subject to inspections, test and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or an organization acting on behalf of the purchaser.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the goods 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 goods or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Goods and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract goods may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods 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 goods which do comply with the requirements of the contract. Failing such removal, the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods as may be necessary at the expense of the supplier.
- 8.8 The provisions of clauses 8.4 to 8.7 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, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents:

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

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.

12. Transportation:

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

13. Incidental services:

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
  - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
  - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
  - (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service 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 provider for similar services.

14. Spare parts:

- 14.1 As specified, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:
- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election 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.
- 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 and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.
- 15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment:

- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments 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.

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 provider in his bid, with the exception of any price adjustments authorized or in the purchaser's request for bid validity extension, as the case may be.

18. Variation orders:

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

19. Assignment:

- 19.1 The supplier 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 these contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

21. Delays in the Supplier's Performance:

- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the goods are required, or the supplier's services are not readily available.
- 21.4 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations 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 22.2 without the application of penalties.
- 21.5 Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties:

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

23. Termination for default:

- 23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:
- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;

- (b) if the supplier fails to perform any other obligation(s) under the contract;  
or
  - (c) if the supplier, in the judgement of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.
- 23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.
- 23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.
- 23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the supplier as having no objection and proceed with the restriction?
- 23.5 Any restriction imposed on any person by the purchaser will, at the discretion of the purchaser, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the purchaser actively associated.
- 23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
  - (i) the name and address of the supplier and / or person restricted by the purchaser;
  - (ii) the date of commencement of the restriction;
  - (iii) the period of restriction; and
  - (iv) the reasons for the restriction.

These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.
- 23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.
- 24. Anti-Dumping and Counter-Vailing duties and rights:
  - 24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-

dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favorable difference shall on demand be paid forthwith by the supplier to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the supplier in regard to 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 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 to the supplier for goods delivered and / or services rendered according to the prescripts of the contract.

28. Limitation of liability:

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

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

29. Governing language:

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

30. Applicable law:

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

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 SARS must have certified that the tax matters of the preferred bidder are in order.
- 32.4 No contract shall be concluded with any bidder whose municipal rates and taxes and municipal services charges are in arrears.

33. Transfer of contracts:

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

34. Amendment of contracts:

- 34.1 No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the

Contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing, shall also be in writing.

35. Prohibition of restrictive practices:

- 35.1 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.
- 35.2 If a bidder(s) or contractor(s) based on reasonable grounds or evidence obtained by the purchaser has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No 89 of 1998.

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