

MAQUASSI HILLS LOCAL MUNICIPALITY

HEAD: SUPPLY CHAIN MANAGEMENT



CONTRACT No MHLM/SCM/09/2022/2023

**PROPOSAL CALL FOR THE REVIEW / RECOVERY
AND CALCULATION OF VALUE ADDED TAX (VAT)
APPORTIONMENT PERCENTAGE AND APPLICATION
THEREOF FOR PERIOD OF 3 YEARS**

Tenderer's Name:
Postal Address:
Telephone No:
Cellular No:
E-Mail Address:
Contact Person:

Tenders contained in sealed envelopes and marked with **MHLM/SCM/09/2022/2023** and the **Contract Description** must be placed in the Tender Box located in the **MAQUASSI HILLS LOCAL MUNICIPALITY (FOYER)** not later than **28 SEPTEMBER 2022**, when they will be opened in public. **Only Tenders placed in the Tender Box before the closing time above will be accepted.**

MHLM/SCM/09/2022/2023

PROPOSAL CALL FOR THE REVIEW / RECOVERY AND CALCULATION OF VALUE ADDED TAX (VAT) APPORTIONMENT PERCENTAGE AND APPLICATION THEREOF

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11. **TENDERERS PLEASE NOTE:**

- 11.1 Tenderers are advised to check the number of pages and should any be missing or duplicated, or the reproduction thereof indistinct, or any descriptions ambiguous, or if this document contains any obvious errors they shall inform the Head: Supply Chain Management or the Engineer at once and have same rectified. No liability whatsoever will be incurred by the Council in respect of errors in any tender due to the Tenderer's failure to observe this requirement.

MAQUASSI HILLS LOCAL MUNICIPALITY

TENDER SUBMISSION CHECKLIST

The Checklist below is attached hereto to assist Tenderers with the completion of the tender document. Tenderers are required to **TICK** the relevant boxes for verification purposes. Where information is not applicable to the tender, the symbols **N/A** must be inserted in the space provided.

It must be noted that the Council shall not be held liable for any loss or damage incurred to the Tenderer should the Tenderer fail to fulfil the requirements of the Tender.

No.	Description	Tenderer to Tick (✓)	For Official Use Only	
1	Has the Tender Document been completed in INK and all corrections counter-signed? (No correction fluid used)		D	
2	Has all tendered rates been priced in INK and corrections countersigned? (No correction fluid used)	N/A	D	
3	Has all tendered amounts been arithmetically checked and the correct total amounts carried forward to the Summary Page and Tender Form?	N/A		

4	Has all information as required in terms of the Tender Document been submitted with the tender?		D	
5	Has the compulsory "Site Inspection/Tender Briefing" meeting been attended and has the "Site Inspection/Tender Briefing" Certificate been completed and signed at the meeting?		D	
6	Have all Declarations contained in the Tender Document been completed and signed by the Tenderer, and before a Commissioner of Oaths (if applicable)?		D	
7	Has the "Tender Form" been completed and signed?		D	
8	Has the "Preference Points Claim Form in terms of the Preferential Procurement Regulations 2017" been completed in its entirety and signed?			
9	Are the latest financial statements and or full disclosure of historical clients attached			
10	Has the Letter of Good Standing issued in terms of COIDA, confirming that the Tenderer is registered as an employer in terms of the provisions of the Compensation for Occupational Injuries and Diseases Act, No. 130 of 1993 been attached?			
11	As a NON-EME , is an original and valid B-BBEE status level Verification Certificate or a certified copy thereof attached to the Tender Document?			
12	Is a valid Tax Clearance Certificate attached to the Tender Document or has a Tax Clearance Status Verification Pin been provided?		D	
13	Has the CSD Supplier Number and Unique Registration Reference Number been submitted with the Tender Document?		D	

***** D: Failure to comply with these Sections will prejudice the tender.**

Name of Tenderer : _____

Signature : _____

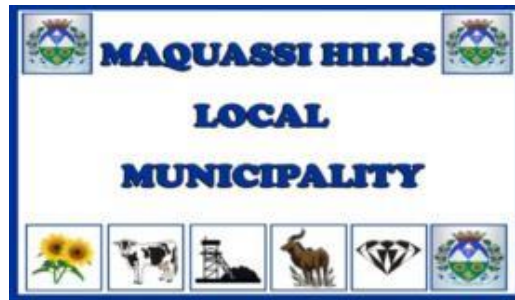
Date : _____

MHLM/SCM/09/2022/2023

PROPOSAL CALL FOR THE REVIEW / RECOVERY AND CALCULATION OF VALUE ADDED TAX (VAT) APPORTIONMENT PERCENTAGE AND APPLICATION THEREOF

MAQUASSI HILLS LOCAL MUNICIPALITY

TENDER ADVERT



Maquassi Hills Local Municipality hereby invites tenders from suitably qualified and experienced Service Providers to carry out the Municipality's VAT review and apportionment percentages calculations.

Tender documents will be made available to tenderers from **29 AUGUST 2022**

Tender documents can be downloaded and printed at the tenderer's cost from the National Treasury eTender Publication Portal on **www.etenders.gov.za**.

Printed copies of the tender documents shall also be available from the Supply Chain Management Offices, **19 Kruger Street, Wolmaransstad, 2630**, as from the abovementioned date and time, at a non-refundable tender deposit fee of **R1500 (including VAT)** for each document drawn. Only cash, bank guaranteed cheques or EFT payments will be accepted. A copy of the Tender Deposit Receipt must be attached to the tender document (if purchased at the Maquassi Hills Local Municipality).

For any technical related enquiries, please contact Mr Hyman Silva at hymans@maquassihills.org

For any procurement related enquiries, please contact Mr Mokete Moswang at moketemoswang24@gmail.com

No compulsory Tender Briefing.

Tenders contained in sealed envelopes and marked with "**Contract No.....**" and the **Contract Description** must be placed in the Tender Box located **19 Kruger Street, Wolmaransstad**, not later than **28 September 2022** at 12:00PM when they will be publicly opened. Only tenders placed in the Tender Box shall be accepted.

Tender Validity Period: 45 days commencing from the closing date of tender.

Tender Adjudication/Evaluation Criteria: Priority will be given to **micro and or small businesses**. The tender shall be evaluated on a Two Stage Evaluation System – Stage One: Functionality and Stage Two: 80/20 Preference Point System in accordance with the Preferential Procurement Regulations 2017, issued in terms of section 5 of the Preferential Procurement Policy Framework Act, Act No. 5 of 2000. The Functionality for Stage One shall be evaluated on the following criteria: -

No.	Evaluation Criteria	Maximum Points
1	Capability	35 Points
2	Skills Transfer and Methodology of the Project	35 Points
3	Team's Qualifications and Experience	30 Points
Total Functionality Points		100 Points
Threshold to Qualify for Stage Two		70 Points

Maquassi Hills Local Municipality does not bind itself to accept the lowest or any tender and reserves the right to accept the whole or any part of a tender. Each tenderer will be informed of the tender result.

The municipality seeks to advance micro businesses and small businesses which are at most risk in the current markets.

CONDITIONS OF APPOINTMENT

- The appointment of the bidder will be subject to successful signing of GCC document
- The appointment will be subjected to price negotiations in line with 2017 PPPFA regulations,
- The Municipality reserve the right not to appoint the lowest bidder based on risk assessment,

MANDATORY RETURNABLE DOCUMENTS

FAILURE TO SUBMIT THE FOLLOWING MANDATORY DOCUMENTS WILL LEAD TO AUTOMATIC DISQUALIFICATION

- a. Proof of registration with South African Institute of Tax Practitioners
- b. Unincorporated JV to submit separate CSD's reports
- c. Unincorporated or Joint Venture Agreement (if tenderer is a Joint Venture),
- d. Proof of Address, Municipal Account or Lease of agreement for both Company and Directors.

Failure to complete and submit the following MBD forms will lead to Automatic Disqualification:

- MBD 1
- MBD 4
- MBD 6.1
- MBD 6.2
- MBD 6.4
- MBD 8

STANDARD CONDITIONS OF TENDER

1. DOCUMENTS

This document comprises of the Standard Conditions of Tender, Standard Conditions of Contract, Special Conditions of Contract (if any), Legislation, Definitions, Specifications, Pricing Schedule, Tender Form, Drawings (if any), Data Sheets and Annexures thereto.

2. COMPULSORY SITE INSPECTION/TENDER BRIEFING MEETING

Where in the tender document reference is made to a compulsory Site Inspection/Tender Briefing Meeting, the Service Provider shall be required to attend the meeting prompt on the date and time mentioned in the tender document. Service Providers arriving at the meeting after the stipulated time will be disqualified and the Council shall not be held liable for any loss or damage due to the above. Service Providers are to ensure that they sign the Attendance Register circulated at the meeting and to also ensure that the Site Inspection/Tender Briefing Certificate attached hereto is duly signed by the authorised official.

An official will Chair the meeting and answer queries raised by prospective Service Providers. Any amendment to the tender documentation arising from such answers will be circulated in terms of the meeting's attendance register.

Tenders will not be considered from Service Providers who do not attend the meeting and whose Site Inspection/Tender Briefing Certificate has not been commissioned by the authorised official.

Service Providers arriving at the Site Inspection/Tender Briefing Meeting after the stipulated starting time will be disqualified. Further, all Service Providers will be required to present their tender document at the Site Inspection/Tender Briefing Meeting for endorsement and failure to comply with this will result in disqualification.

3. SUBMISSION OF TENDERS

Tenders must be made out on the Tender Form annexed hereto. Tenderers are advised that this document must be completed in ink and submitted in its entirety. Failure to comply with this condition shall result in the tender being disqualified.

Only original hand written priced tender documents will be considered. Tenders submitted by electronic mail, telex or facsimile shall not be considered. ***The use of correction fluid is strictly prohibited.*** All corrections are to be countersigned.

Tenderers using Courier Companies or any other mode of transport to deliver their tender documents must ensure that the tender documents are delivered to ADDRESS, and placed in the Tender Box by the close of tenders. The Council shall not be held liable for any tender document which is not timeously delivered, mislaid or incorrectly delivered due to the negligence of the Courier Company or any other party involved in the delivery of the tender documents, including any employee of the Council.

Sealed tenders endorsed with the appropriate contract number, must reach the **19 Kruger Street, Wolmaramstad, 2630** not later than the closing date and time stated in the public advertisement inviting tenders, when they will be opened in public. Under no circumstances will any extension of time be allowed for the submission of tenders.

Tenders shall remain valid for four (4) calendar months from the date of opening, except for the initial five (5) working days grace period after the close of tenders within which period a tenderer may be permitted to withdraw its tender subject to an application with good and sufficient reasons being submitted in writing to obtain approval of such withdrawal, at the sole discretion of the Head: Supply Chain Management.

All literature submitted must be securely attached to the tender. The Council shall not be held liable for any loss or damages sustained due to the Tenderer's failure to comply with this condition.

In the case of a Tenderer withdrawing its tender after the expiry of the grace period, the Council may refuse to receive or consider, for such period as it may think fit, any further tenders from that Tenderer.

4. COMMUNICATION WITH MEMBERS OF THE COUNCIL OR COUNCIL EMPLOYEES

Without detracting from any prevailing law, no Tenderer shall offer, promise or give any person or persons connected with the adjudication, or awarding of the tender, any gratuity, bonus, discount or consideration of any kind in connection with the obtaining of a contract. Nor shall any Tenderer communicate with any member of the Council or a Council employee on a question affecting the awarding of a contract which is the subject of a tender, during the period between the closing date of tenders and the date of notification of the successful Tenderer; provided always that the Head: Supply Chain Management may, in exceptional circumstances, obtain additional information from a Tenderer to enable her to formulate her recommendation to Council.

Any attempt to contravene this condition which is brought to the notice of the Head: Supply Chain Management shall result in the disqualification of the Tenderer.

Prospective Tenderers are further advised that s118 of the Municipal Finance Management Act prohibits the interference, by any person, with the supply chain management system of the Municipality and the amendment of or tampering with any tender, quotation, contract or bid after its submission.

5. IMPORT PERMITS

The Council will not undertake to secure any import permits or currency for the import of any goods or materials required for the execution of this contract. The Tenderer must apply directly for any import permits or currency needed. However, the Council will furnish the successful Tenderer with a supporting statement, if required.

6. REGISTRATION WITH THE CENTRAL SUPPLIER DATABASE (CSD)

The National Treasury's Central Supplier Database (CSD) has been open for registration from 01 September 2015. The CSD serves as one single source of supplier information to all spheres of government.

Within this system, suppliers are required to register once when they do business with the state. This will significantly reduce the administrative burden for businesses, especially small and medium sized enterprises. The database interfaces with the South African Revenue Service (SARS), the Companies and Intellectual Property Commission (CIPC) and the payroll system. It will electronically verify a supplier's tax and B-BBEE status and enable public sector officials doing business with the state to be identified.

All prospective suppliers can register any time on the CSD website www.csd.gov.za

In order for Council to verify your Company's registration with CSD, please provide the following information for verification purposes:

CSD Supplier Number	
Unique Registration Reference Number	

Failure to provide the above information shall render the tender to be disqualified.

7. TAX CLEARANCE COMPLIANCE STATUS

Tax compliance status will be verified using the Central Supplier Database.

8. RATES

The prices, rates or percentages quoted in the proposal shall be deemed to include all costs, including but not limited to materials, plant, labour, patent rights and royalties, freight, insurance, customs, railage, delivery, etc, unless the Service Provider states otherwise in the proposal.

9. COIDA

The Tender shall submit a Letter of Good Standing issued in terms of COIDA, confirming that the Tenderer is registered as an employer in terms of the provisions of the Compensation for Occupational Injuries and Diseases Act, No. 130 of 1993.

Tenderers must, within 14 days of being requested to do so submit Letter of Good Standing issued in terms of COIDA, confirming that the Tenderer is registered as an employer in terms of the provisions of the Compensation for Occupational Injuries and Diseases Act, No. 130 of 1993.

10. INCOMPLETE TENDERING

Tenders may be rejected if they show any additional, conditional or incomplete offers or irregularities of any kind in either the Tender Form or the Pricing Schedule, or if the prices tendered in the Schedule are not market related i.e. the tendered rates does not conform to current day prices.

Partial awards **may** be made where this is perceived by the Head: Supply Chain Management or the Engineer to be in the best interests of the Council. Council reserves the right to take into account the principle of the distribution of works in order to empower SMME's and BEE's.

Should there be any difference or discrepancy between the prices and particulars contained in the Tender Form and those contained in any covering letter submitted by the Tenderer, the prices and particulars contained in the Tender Form shall prevail.

10. ACCEPTANCE OF ANY TENDER

The Council does not bind itself to accept the lowest or any tender and reserves the right to accept the whole or any part of a tender.

Where less than three (3) tenders are received, the Head: Supply Chain Management reserves the right to purchase such items on the open market notwithstanding the acceptance of an offer.

The procedure which will be followed with the acceptance of a tender is as follows:

No formal agreement will be signed.

A letter of acceptance stipulating which rate/s has been accepted will be sent by the Head: Supply Chain Management to the Tenderer. The tender documents, together with the letter of acceptance, shall constitute a binding agreement between the Tenderer and the Council.

Unless otherwise stipulated in the covering letter submitted with the tender, the Tenderer shall have waived, renounced and abandoned any conditions printed or written upon any stationery used for the purpose of, or in connection with, the submission of the tender which are in conflict with the Council's Conditions of Tender and the Standard Conditions of Contract. The Tenderer is warned that any material divergence from the official conditions or specification may render the tender liable to disqualification.

11. DOMICILIUM CITANDI ET EXECUTANDI

For the purpose of the service of all documents and the giving of notice as may be required in terms of this contract, or as a result of any action arising in conjunction with it, the Council chooses **19 Kruger Street, Wolmaransstad, 2630** as its *domicilium citandi et executandi*.

The Tenderer's *domicilium citandi et executandi* shall be whatever street address is given in the Tender Form attached hereto.

Either party may, at any time, give one (1) month notice, in writing, of a change of its *domicilium citandi et executandi* provided that such address shall be within the Republic of South Africa.

12. DATA SHEETS

Tenderers shall be required to complete all Data Sheets and the Tender Form attached hereto in their entirety for adjudication purposes. Where Data Sheets and/or any other documentation as contained herein are required to be commissioned, such Data Sheets and/or documentation must be stamped and signed by a Commissioner of Oaths (where applicable). ***Failure to comply with these provisions will render the offer unresponsive (invalid).***

13. PROHIBITION ON AWARDS TO PERSONS IN THE SERVICE OF THE STATE

The Supply Chain Management Regulations states that the Council may not make any award to a person:

- (a) Who is in the service of the state;
- (b) If that person is not a natural person, of which and director, manager, principal shareholder or stakeholder is a person in the service of the state; or
- (c) Who is an advisor or consultant contracted with the municipality or municipal entity.

14. MUNICIPAL FEES

All Tenderers are to sign the Declaration herein declaring that their Municipal Fees are in order, or that proper arrangements have been made with the Council. Tenderers must include the relevant account numbers in the declaration.

15. APPEALS AND/OR OBJECTIONS

Any Tenderer aggrieved by decisions or actions taken by the Municipality may lodge within fourteen (14) calendar days of the date of the decision or action, a written objection or complaint to the Municipal Manager / Head: Supply Chain Management. In the event that an appeal and/or objection is lodged, the following procedure shall apply:

The Tenderer shall be required to pay an appeal/objection fee in the amount of **zero point five percent (0.5%) of the total contract sum, including VAT or R2 000.00, whichever is the greater to a maximum value of R20 000.00.**

The fee is to be paid in cash or by bank guarantee cheque on or before the expiration of the above period and proof of such payment is to be submitted together with the letter of appeal/objection to the Municipal Manager / Head: Supply Chain Management. No appeal/objection will be entertained should the afore-mentioned condition not be adhered to and the Municipality shall not be held liable for any loss or damage sustained by the Tenderer due to the Tenderer's failure to adhere to the above condition.

**16. PREFERENCE POINTS CLAIMED IN TERMS OF THE PREFERENTIAL
PROCUREMENT REGULATIONS 2017**

Tenderers claiming preference points shall be required complete Annexure “C” hereto in its entirety and to fully comply with the General Conditions, Definitions and Directives stated therein.

Tenderers shall be required to submit, together with the tender document, a valid original or certified copy of their B-BBEE status verification certificate or a sworn affidavit as prescribed by the B-BBEE codes of good practice and must be valid until the closing date of the tender.

Tenderers who have submitted a valid and original or certified copy of their B-BBEE Status Level Verification Certificate or a sworn affidavit to the Council for any other contract need not submit a further Verification Certificate or a sworn affidavit provided that the Verification Certificate or a sworn affidavit previously submitted is still valid until the closing date of this tender. In this instance, the Tenderer will be required to indicate below the Contract No. in order to qualify their tender.

Contract No.	
---------------------	--

17. JOINT VENTURE AGREEMENTS AND CONSORTIUMS

Tenderers intending to tender in the form of Joint Ventures/Consortiums **must submit** the following documentation together with the tender:

- 1) Original valid Tax Clearance Certificates or a Tax Compliance Status Verification Pins issued by SARS of all parties of the Joint Venture/Consortium;
- 2) All parties of the Joint Venture/Consortium must submit signed copies of:
 - a) The Declaration of Interest Form;
 - b) The Declaration of Bidder’s Past Supply Chain Management Practices Form, and
 - c) The Certificate of Independent Bid Determination Form.
- 3) An undertaking duly signed by all parties of the Joint Venture/Consortium indicating their intention to enter into an agreement for the purposes of this contract, and,
- 4) A consolidated valid and original or certified copy of their B-BBEE Status Level Verification Certificate obtainable from a verification agency accredited by SANAS or a registered auditor approved by the Independent Regulatory Board of Auditors (IRBA).

Further to the above, the name of the Joint Venture/Consortium must appear on the relevant pages of the document. Failure to comply with these requirements shall lead to disqualification.

18. COMBATIVE TENDERING

The Supply Chain Management Regulations states that Combative tendering practices are unethical and illegal. These include but are not limited to:

- (i) Suggestions to fictitious lower quotations;
- (ii) Reference to non-existent competition;
- (iii) Exploiting errors in tenders;
- (iv) Soliciting tenders from Tenderers whose names appear on the list of restricted tenderers/suppliers/persons, and,
- (v) Submission of two tenders by a Tenderer.

Any attempt by a Tenderer to contravene this condition which is brought to the notice of the Municipal Manager or the Head: Supply Chain Management shall result in the disqualification of the tender. The Council further reserves the right to take any other action as it may deem necessary.

19. ADJUDICATION CRITERIA

The tender shall be evaluated on a Two Stage Evaluation System – Stage One: Functionality and Stage Two: 80/20 Preference Point System in accordance with the Preferential Procurement Regulations 2017, issued in terms of section 5 of the Preferential Procurement Policy Framework Act, Act No. 5 of 2000.

MAQUASSI HILLLS LOCAL MUNICIPALITY

LEGISLATION

1.0 GENERAL

1.1 Contractors will be deemed by virtue of submitting a tender to have undertaken to be aware of and comply fully for all purposes under this contract with all current legislation and related regulations. The following Acts, as amended from time to time, are listed for the attention of the Contractor, without prejudice and without in any way relieving the Contractor of the obligation to continuously comply with all the laws of South Africa for the entire duration of this contract, the cost of so doing being expressly included in the contract sum. It is the sole duty of the Contractor to ensure that it acquaints itself and complies with all applicable legislation. **The Council shall not be liable in any way whatsoever for any errors or omissions in the legislation listed herein.**

2.0 THE OCCUPATIONAL, HEALTH AND SAFETY ACT (ACT 85 OF 1993) (OHS ACT)

2.1 The OHS Act covers *inter alia* "any work in connection with –

- a) the erection, maintenance, alteration, renovation, repair, demolition or dismantling of an addition to a building;
- b) the installation, erection or dismantling of machinery;
- c) the construction, maintenance, demolition or dismantling of any bridge, dam, canal, railway, street, runway, sewer or water reticulation system or work on any similar project;
- d) the moving of earth, clearing of land or making of an excavation or work on any similar project." (General Administrative Regulations Clause 1).

It is recorded that the subject of this contract falls within the scope of the foregoing work definition, and that the Employer in terms of this contract is the Mandator and that the Contractor is the Mandatory in terms of the OHS Act.

2.2 The OHS Act covers *inter alia* "any work in connection with -

- a) the erection, maintenance, alteration, renovation, repair, demolition or dismantling of an addition to a building;
- b) the installation, erection or dismantling of machinery;
- c) the construction, maintenance, demolition or dismantling of any bridge, dam, canal, railway, street, runway, sewer or water reticulation system or work on any similar project; and
- d) the moving of earth, clearing of land or making of an excavation or work on any similar project." (General Administrative Regulations Clause 1).

It is recorded that the subject of this contract falls within the scope of the foregoing work definition, and that the Employer in terms of this contract is the Mandator and that the Contractor is the Mandatory in terms of the OHS Act.

2.3 The arrangements and procedures to ensure compliance by the Mandatory with the provisions of the OHS Act referred to in the Agreement, in Annexure "B", between the Employer and the Contractor in this contract are:

- 2.3.1 The Mandatory shall keep a record of all incidents in terms of Clause 10 (1) of the General Administration Regulations (GAR).
- 2.3.2 The Mandatory shall cause every incident to be investigated in terms of Clause 10 (2) of the GAR.
- 2.3.3 The Mandatory shall cause all such records to be examined by a Safety Committee in terms of Clause 10 (3) of the GAR.
- 2.3.4 The Mandatory shall on demand furnish the divisional inspector with such returns as may be required in terms of Clause 14 of the GAR.
- 2.3.5 The Mandatory shall charge a full-time employee designated in writing by the Mandatory with the duty of supervising the performance of the work (or the Mandatory may personally undertake this duty) in terms of Clause 11 of the General Safety Regulations.
- 2.3.6 The Mandatory shall, before commencing or carrying out the work, inform the divisional inspector in writing of:-
 - a) the address of the premises on which such work will be carried out;
 - b) the nature of such work;
 - c) the date on which it is expected that such work will be commenced; and
 - d) the date on which it is expected that such work will be completed. all in terms of Clause 15c of the GAR
- 2.3.7 The Mandatory shall comply with all other aspects of the OHS Act relative to the nature of the works and shall scrupulously observe and execute any instruction given by an official inspector with reference thereto.

3.0 THE COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASES ACT (ACT 130 of 1993) (COID ACT)

- 3.1 Contractors are required to register as employers in terms of the COID Act.
- 3.2 Contractors must pay the assessments due in terms of the COID Act relative to their employee records including all sub-contractors and community based labour.
- 3.3 In this specific contract the Contractor further acknowledges that the Employer shall have the right, without prejudice, to deduct any shortfall in compensation due to any employee of the Contractor (or sub-contractor) from monies due or which may become due to the Contractor, and so effect settlement of the matter.

4.0 THE LABOUR RELATIONS ACT (ACT 66 of 1995) (LR ACT)

- 4.1 Contractors are required to register as employers in terms of the LR Act.
- 4.2 Contractors are required to pay all employee and employer contributions to the Unemployment Benefits Fund, other than in respect of casual employees defined as persons who work for less than eight hours in any one week, or in respect of persons who by virtue of lawful reasons are exempt therefrom.

5.0 THE BASIC CONDITIONS OF EMPLOYMENT ACT (ACT 3 of 1983) (BCE ACT)

- 5.1 Contractors in their capacity as employers are required to comply with the provisions of the BCE Act with special reference to their employees' terms and conditions of employment.

6.0 THE INCOME TAX ACT (ACT 58 of 1962)

- 6.1 Contractors in their capacity both as business enterprises and employers are obliged to register and comply with the requirements of the Receiver of Revenue.

8.0 THE ENGINEERING PROFESSION ACT OF SOUTH AFRICA (ACT 114 of 1990)

- 8.1 Where work undertaken in connection with this contract falls within the meaning of "*kinds of work reserved for professional engineers*" as fully set out in the Engineering Profession Act of South Africa 1990, or any amendments thereof, only persons registered in terms of the above Act, may assume full responsibility, according to competency under the Act, for the respective sections and phases of such work, as described in the Act, particularly in regard to design, supervision of construction and installation, and commission where applicable.

- 8.2 The Service Provider shall submit a certificate with the tender certifying compliance with all these requirements in connection with the preparation and submission of the tender and shall give an undertaking to comply in full during the contract period. Where applicable the Service Provider shall submit at the time of tendering the name(s), qualifications and address(es) of the Professional Engineer(s) responsible for the various disciplines and portions of the work comprising this contract.

9.0 NON-COMPLIANCE

- 9.1 The Employer in this contract will not under any circumstances be, or become party to, any act or omission by the Contractor and/or the Contractor's Sub-contractors and/or employees, which contravenes South African law.
- 9.2 Notwithstanding anything to the contrary in this tender document, and in addition to any other remedies the Council may have, if at any time during this contract, the Council discovers any contravention of the laws expressly mentioned herein or any other applicable law, then the Council shall have the right to cancel this contract forthwith. In such event, the Council shall not be liable for any loss or damages caused by such cancellation.

MAQUASSI HILLS LOCAL MUNICIPALITY

DEFINITIONS

The following definitions apply:-

"Council" means name of Municipality.

"Head: Supply Chain Management" means the Head: Supply Chain Management of the day of the name of Municipality or the Manager's duly appointed Representative.

"Micro business" means a business with a turnover of R7.5m or less.

"Small Business" means a business with a turnover of no more than 20 municipalities serviced historically or turnover of no more than R20m (Twenty million Rand)

"Service Provider/Contractor" means the person, firm, Service Provider or company whose tender has been accepted by the name of Municipality and includes the Service Provider's heirs, executors, administrators, trustees, judicial managers or liquidators, as the case may be, but not, except with the written consent of the Council, any assignee of the Service Provider.

"Special Conditions" means any addition to or departure from or amendment of these Standard Conditions as set out in Annexure "A" hereof.

"Drawings" means the drawings referred to in the Specification and any modification of such drawings approved in writing by the Engineer and such other drawings as may from time to time be furnished or approved in writing by the Engineer.

"Contract Document" means the Conditions of Tender, Scope of Contract, Terms of Reference, these Definitions, Special Conditions (if any), Equipment Specifications, Rates, Percentages and Prices, Tender Form and Annexures thereto. Any amendments to the contract document agreed to by the Council and the Service Provider, Provisional Letter of Acceptance and the final Letter of Final Acceptance.

"Goods" means the equipment, plant, vehicles, service or materials to be supplied in accordance with the Contract.

"The Tender" means the written offer made by the Service Provider to the Council.

"Preferential Procurement Policy" means the Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000).

"SARS" means the South African Revenue Services.

MAQUASSI HILLS LOCAL MUNICIPALITY

CONTRACT No.....

PROPOSAL CALL FOR THE REVIEW / RECOVERY AND CALCULATION OF VALUE ADDED TAX (VAT) APPORTIONMENT PERCENTAGE AND APPLICATION THEREOF

SPECIFICATION

1.0 SCOPE OF CONTRACT

The scope of contract calls for the appointment of a suitably qualified and experienced Service Provider to carry out Maquassi Hills Local Municipality's Value Added Tax (VAT) review and apportionment percentages calculations.

2.0 SCOPE OF WORKS

The scope of works entails a VAT review and apportionment percentages calculations and general ledger for the financial years from 2022 to 2024 **and** VAT recovery for a period of five (3) years.

3.0 DETAILED SPECIFICATION

3.1 VAT Review

- (a) VAT is the only tax that has a direct impact on the financial affairs of a Municipality.
- (b) The application of the Value Added Tax Act, Act No. 89 of 1991, is a complex issue and not easy to interpret and contains numerous exceptions and provision. Given the fact that the financial implications of such actions can be detrimental to the Municipality and the prescription period of this claim proviso (i) of section 17 of the VAT Act that limits the period in which a vendor may claim an input deduction to five (5) years.
- (c) Facilitate a VAT review, which includes a review of the current status of the treatment of VAT by the Municipality's accounting system to ensure appropriate application of the relevant provisions of the VAT Act to ensure optimal claiming of the input tax and appropriate declaration of the output tax timeously.
- (d) Detail examination into the general ledger where VAT was potential not claimed.
- (e) Calculate the apportionment percentage based for the periods for 3 years.
- (f) Apply the recalculated apportionment percentage to the mixed supply expenses and the amount of under or over payment of input tax, if any.

3.2 VAT Recovery

- (a) Review the VAT treatment of equitable shares and all other grants, conditional and unconditional, to ensure that the treatment is correct from a VAT, as well as a grant condition point of view.
- (b) A comprehensive written report must be submitted on the findings of the review/recovery identifying risk areas, internal control weaknesses and recommendations for improvement;
- (c) Working papers of all relevant calculations should be handed over to the Municipality.

The VAT review/recovery process should include for the following:

3.2.1 VAT Reconciliations

- (a) Obtain input and output figures from the general ledger per tax period.
- (b) Obtain copies of the VAT 201's submitted to SARS.
- (c) Reconcile the input figures from the general ledger with the input figures reflected on the VAT 201's (Submit an electronic reconciliation of the input VAT as per the financial system of the Municipality and compare the reconciliation with the figures as per the SARS system (VAT201)).
- (d) Reconcile the output figures from the general ledger with the output figures reflected on the VAT 201's (Submit an electronic reconciliation of the output VAT as per the financial system of the Municipality and compare the reconciliation with the figures as per the SARS system (VAT 201)).
- (e) Reconcile the figures on the VAT 201 returns to the VAT report from the financial system.
- (f) Investigate differences.

3.2.2 VAT Input Reconciliation

- (a) Obtain detailed line-by-line general ledger transactions electronically from the system.
- (b) Link the line-by-line detailed transactions of the general ledger VAT input account(s) to the different lines of the different account transactions.
- (c) Reconcile the above linked line-by-line transactions per the expense account to identify instances where VAT registered was not accounted for in the VAT 201 - code these exceptions as; supplier not VAT registered / require valid tax invoice from supplier / no VAT to be claimed / valid VAT saving / VAT charged but supplier not registered for VAT.
- (d) Investigate expenses (general ledger entries) where no VAT as claimed by obtaining invoices/supporting documentation.

- (e) The Service Provider to have its own team of staff members to retrieve incorrect, lost, misfiled or misplaced invoices from Municipal suppliers.
- (f) Where VAT as charged by non-VAT vendors, the Service Provider is to recover the VAT charged.
- (g) Investigate journals.

3.2.3 VAT Output Reconciliation

- (a) Obtain detailed line-by-line general ledger transactions electronically from the system.
- (b) Link the line-by-line detailed transactions of the general ledger VAT output account(s) to the different lines of the different income account transactions.
- (c) Perform a detailed breakdown of the debtor's sub-ledgers transactions to review the allocation of VAT.
- (d) Reconcile the VAT linked with the VAT per income stream to identify instances where VAT was incorrectly accounted for in the VAT 201
- (e) Investigate exceptions; Investigate journals.
- (f) Verify income with bank statements/bank reconciliation.

3.3 The Detailed VAT Review Process

- (a) The successful tenderer will be required to conduct a thorough and meticulous VAT review of the Municipality's general ledger control accounts in relation to VAT transactions to ensure that the Municipality has correctly accounted for VAT on all the expenditure and revenue.
- (b) Review of the VAT report from the financial system to ensure that output tax was declared on all receipts for taxable receipts from customers and input tax claimed for all payments made to VAT vendors.
- (c) An investigation of the accounting system including correct flagging/coding of all expenditure and revenue votes to ensure all votes have been correctly set up for VAT.
- (d) Establish the impact for the years under review if there is any over/under/claimed input and output due to the general ledger being incorrectly set up for VAT.
- (e) Address unresolved pertinent issues that have a direct influence on VAT; such as equitable share and conditional grants.
- (f) Calculate the required VAT adjustments resulting from the review, if any, inclusion on the relevant VAT return.
- (g) Transfer of skills to Municipal staff regarding all VAT facets should take place within the contract period.

3.4 A Detailed Examination into the Municipality's General Ledger, Journal Vouchers, Tax Invoices to ascertain if VAT was claimed due to:

- (a) The supplier being recorded as a non-VAT vendor on the system but there is proof otherwise.
- (b) Incorrect classification of votes for VAT purposes eg. classified exempt and VAT originally claimed.
- (c) The supplier does attract VAT, but this was omitted.

3.5 VAT Apportionment Percentage Review

- (a) Analysis of computation of current apportionment ratio applied.
- (b) Review and recalculate the apportionment ratio for the periods 13/14, 14/15, 16/17, 17/18 and 18/19 as per approved formula.
- (c) Apply the recalculated apportionment percentage to determine:
 - (i) whether the VAT apportionment percentage has been correctly calculated; (ii) whether the VAT apportionment percentage has been correctly applied; and
 - (iii) the amount of under or over paid input tax, if any.
- (d) Create Excel models that will be used as a basis to calculate apportionment percentage for this period.
- (e) Calculate the required VAT adjustments resulting from the review, if any, inclusion on the relevant VAT return.
- (f) Provide detail workings for the calculation of the apportionment percentages/ adjustments in excel for the Auditor General and SARS.
- (g) Assist the Municipality in completing the VAT return(s), making declaration of liabilities/ receivables if any and completion of any necessary documentation that may be required to claim from SARS.
- (h) Liaise directly with SARS on all re-calculation workings and response to queries to obtain any refunds due the Municipality.

3.6 The methodology and procedures applied during the verification process ensure that the savings and exposures identified are 100% verifiable to any 3rd party, i.e. SARS or the Auditor General. The procedures applied must comply with the VAT Act.

4.0 CONTACT PERSONS

For any **technical related enquiries**, please contact Mr Hayman Silver at heyman@maquassihills.org or 018 596 2035

6.0 CONTRACT PERIOD

The contract period to undertake the scope of works in line with outlined specifications shall be **six (6) months** effective from the date of appointment of the successful Service Provider.

7.0 ESCALATION

The contingency fees offered shall be fixed for the contract period and not subject to any form of escalation.

8.0 PENALTIES

Penalties of five percent (5%) of the commission claimable will be deducted per calendar day should the work not be completed within the required timeframe stipulated.

9.0 PLACE OF DELIVERY

The co-ordination of the works undertaken will be done from **19 Kruger Street, Wolmaransstad, 2630**

10.0 INSURANCES REQUIRED

The Service Provider shall absolve Maquassi Hills Local Municipality from all claims arising from the execution of this contract. The Service Provider shall be required to arrange adequate insurance covering Third Party Liability which must be in kept in force for the full duration of the contract period. Further, the Service Provider is required to arrange adequate Professional Indemnity Insurance, which shall also be kept in force for the full duration of the contract period.

11.0 COMPLIANCE WITH ANY LEGISLATION, BYLAWS, ETC.

All works to be undertaken under this contract shall be compliant in accordance and/or governed by the following Legislation and Regulations:

- (1) The Occupational Health and Safety (OHS) Act (Act No. 85 of 1993)
- (2) The Compensation for Occupational Injuries and Diseases (COID) Act (Act No. 130 of 1993)
- (3) The Labour Relations Act (Act No. 66 of 1995)
- (4) The Basic Conditions of Employment (BCE) Act (Act No. 3 of 1983)
- (5) The Income Tax Act (Act No. 58 of 1962)
- (6) The Value Added Tax (VAT) Act (Act No. 89 of 1991) Section 17 permissible deductions of input tax.

- (7) The Municipal Finance Management Act (MFMA) (Act No. 56 of 2003)
- (8) The Municipal Systems Act (Act No. 32 of 2000)
- (9) The Municipal Supply Chain Management Regulations, 2005
- (10) The Preferential Procurement Policy Framework Act (PPPFA), 2005
- (11) The Preferential Procurement Regulations, 2017
- (12) Supply Chain Management (SCM) Policy

12.0 MANDATORY REQUIREMENTS

Tenderers shall abide to the following mandatory requirements and shall provide the necessary supporting documentation to validate such requirements.

12.1 Tenderers must submit a skills transfer plan.

12.2 The following requirements must be met by the tenderers:

- (a) Project manager must be registered with the South African Institute of Chartered Accountants (SAICA) OR the Independent Regulatory Board of Auditors (IRBA).
- (b) Financial statements, Staff compliment and full disclosure current and historical list of clients to determine size of organisation.
- (c) **Certified** proof of membership together with **certified** copies of qualifications must be submitted to confirm compliance with the abovementioned memberships.

Failure to meet the above mandatory requirements shall result in the disqualification of the tenderer.

13.0 EVALUATION CRITERIA

13.1 Tenderers meeting the above mandatory requirements shall be evaluated on a Two Stage Evaluation System, Stage One: Functionality and Stage Two: 80/20 Preference Point System in accordance with the Preferential Procurement Regulations 2017, issued in terms of section 5 of the Preferential Procurement Policy Framework Act, Act No. 5 of 2000.

13.2 Stage One: Functionality

The functionality criteria to be used to evaluate tenderers in Stage One: Functionality shall be as follows:

No.	FUNCTIONALITY CRITERIA	MAX POINTS
1	Capability	35 Points
1(a)	Number of VAT review/recovery appointments by Municipalities.	10 Points
	1 to 3 municipalities	3 Points
	4 to 7 municipalities	5 Points
	8 or more municipalities	10 Points
Proof of signed completion certificate must be submitted in order to score points for capability.		

1(b)	Proof of amounts recovered from SARS on behalf of a single municipality, evidenced by means of a close out report	25 Points
	• R35 million and more – Municipalities	25 Points
	• R10 million less than R35 million – Municipalities	15 Points
	• R5 million less than R10 Million- Municipalities	5 Points

No.	FUNCTIONALITY CRITERIA	MAX POINTS
2	Skills Transfer and Methodology of the project	35 Points
	Skills transfer plan for municipal officials: explain how this will be done and measured.	20 Points
	Methodology: A detailed description of how the bidder proposes to manage the project for the successful implementation of the project, various stages and milestones clearly indicated.	15 Points

No.	FUNCTIONALITY CRITERIA	MAX POINTS
3	Team's Qualifications and Experience	30 Points
3(a)	Team leader must be registered with South African Institute of Tax Practitioners.	30 Points
Certified copies of professional membership certificates or certified confirmation of registration must be submitted in order to claim points.		

TOTAL FUNCTIONALITY POINTS	100 POINTS
MINIMUM THRESHOLD TO QUALIFY FOR STAGE TWO	70 POINTS

The minimum threshold for functionality is 100 points which is basically 70% of the ideal values. The structure of the team must always comprise of the above qualifications for the duration of the project and remain as per the team's structure submitted. Any movement of team members must be communicated with the relevant Municipal officials.

13.3 Stage Two: 80/20 Preference Point System

The 80/20 Preference Point System shall apply in accordance with the Preferential Procurement Regulations 2017, issued in terms of section 5 of the Preferential Procurement Policy Framework Act, Act No. 5 of 2000, with 80 Points for Price and 20 Points for B-BBEE, as follows:

Price : **80 Points**
B-BBEE Status Level of Contribution : **20 Points**

Total Points : **100 Points**

B-BBEE Status Level of Contribution	Number of Points (80/20 Point System)
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

14.0 ANY OTHER IMPORTANT INFORMATION

- 14.1 Such projects are typically undertaken by VAT specialists on a contingency fee basis so that:

There is a win-win situation for both parties that is:

- (a) The Municipality does not have to pay any fees unless there is a savings and will share a percentage of the amount saved.
- (b) The tenderer will take the risk if no savings are identified, but will share more than basic time for the rendering of this service and the risks taken.

- 14.2 Name of Municipality applied an appropriate apportionment ratio of 100% to determine the extent to which the VAT incurred on goods or services for mixed supplies was supplied.

15.0 OCCUPATIONAL HEALTH AND SAFETY ACT

The attached Annexure "B" hereto must be completed thereby indemnifying the Name of Municipality of any claims which may arise in terms of the Occupational Health and Safety Act (Act 85 of 1993), as amended.

16.0 COUNCIL'S LIABILITY AND INDEMNITY

- 16.1 The Service Providers hereby indemnifies the Council and its employees and agents against all losses and claims for injuries or damages to any person or property whatsoever which may arise out of the execution of this contract.

- 16.2 The Council shall not be held liable to the Service Providers for any direct or indirect damages or losses and the Council shall be indemnified and held free against claims arising out of:

- 16.2.1 any negligent or innocent misrepresentations made by the Council, its employees or agents in respect of any data, information and statistics supplied to the Service Providers prior to or during the contract; provided that this condition shall not deprive the Contractor of any payments lawfully due to the Service Providers in terms of the contract, and

- 16.2.2 a change in a legislative provision applicable to the contract.

17.0 ASSIGNMENT AND SUBLETTING

Neither the Service Providers nor the Council shall assign or cede the contract or any part thereof or any benefit or interest therein or thereunder without the written consent of the other. The Service Providers shall not sub-let the whole or any part of this contract without the written consent of the Engineer and such consent, if given, shall not relieve the Service Providers from any liability or obligation under the contract.

18.0 SEQUESTRATION OR SURRENDER OF SERVICE PROVIDER'S ESTATE

In the event of an order being made for sequestration of the Service Provider's estate, whether provisional or final, or in the event of an application being made for such order, or in the event of the Service Providers making application for the surrender of the Service Provider's estate, or if the Service Providers shall enter into, make or execute any deed of assignment or other composition or arrangement with, or assignment for the benefit of the Service Provider's creditors, or purport to do so, or if the Service Providers, being a Company, shall pass a resolution, or if the Court shall make an order for the liquidation of such company, the Council shall have the right, summarily and without recourse to law, to terminate the contract without payment of any compensation to the Service Providers, and without prejudice to the right of the Council to sue the Service Providers for any damages sustained by it in consequence of one or the other of the afore-mentioned events.

19.0 SECRECY OF INFORMATION

Subject to the provisions of the Promotion of Access to Information Act, the information revealed in this tender document is to be classified as confidential. Accordingly, the Engineer reserves the right to request references and generally examine bona fides and available facilities of any Company of Firm wanting to participate in this contract.

20.0 LAW TO APPLY

The contract shall in all respects be construed in accordance with the law of the Republic of South Africa, and any difference that may arise between the Council and the Service Providers in regard to the contract shall be settled in the Republic of South Africa.

21.0 PATENT RIGHTS

The Service Providers shall pay all royalties and expenses and be liable for all claims in respect of the use of patent rights, trade marks or other protected rights, and shall hold the Council indemnified and harmless against any claims for loss or damage to (including legal expenses) arising therefrom.

22.0 CONTRACT TO BE IN CONFORMITY WITH BY-LAWS AND ANY OTHER APPLICABLE LAWS

The contract shall be carried out subject to and in conformity with any law, regulation or By-law which is of application thereto and shall be conditional upon any necessary consent required by law being obtained.

MAQUASSI HILLS LOCAL MUNICIPALITY

CONTRACT No.....

**PROPOSAL CALL FOR THE REVIEW / RECOVERY AND CALCULATION OF VALUE
ADDED TAX (VAT) APPORTIONMENT PERCENTAGE AND APPLICATION THEREOF**

MAQUASSI HILLS LOCAL MUNICIPALITY

CONTRACT No.....

**PROPOSAL CALL FOR THE REVIEW / RECOVERY AND CALCULATION OF VALUE
ADDED TAX (VAT) APPORTIONMENT PERCENTAGE AND APPLICATION THEREOF**

DATA SHEET 1: INVITATION TO BID DOCUMENT

PART A

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE NAME OF MUNICIPALITY					
BID NUMBER:		CLOSING DATE:		CLOSING TIME:	
DESCRIPTION	PROPOSAL CALL FOR THE REVIEW / RECOVERY AND CALCULATION OF VALUE ADDED TAX (VAT) APPORTIONMENT PERCENTAGE AND APPLICATION THEREOF				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM					

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

SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		<input type="checkbox"/> Yes <input type="checkbox"/> No
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					

TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE	
SIGNATURE OF BIDDER		DATE	
CAPACITY UNDER WHICH THIS BID IS SIGNED			

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	
DEPARTMENT		CONTACT PERSON	
CONTACT PERSON		TELEPHONE NUMBER	
TELEPHONE NUMBER		CELLPHONE NUMBER	
FACSIMILE NUMBER		E-MAIL ADDRESS	
E-MAIL ADDRESS			

PART B

1. BID SUBMISSION:

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE**
- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.

2. TAX COMPLIANCE REQUIREMENTS

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA EFILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
- 2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.
- 2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.

3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

- | | | |
|--|------------------------------|-----------------------------|
| 3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA? | <input type="checkbox"/> | <input type="checkbox"/> |
| YES | <input type="checkbox"/> | <input type="checkbox"/> |
| NO | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? | <input type="checkbox"/> | <input type="checkbox"/> |
| YES | <input type="checkbox"/> | <input type="checkbox"/> |
| NO | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? | | |
| YES | | |
| NO | | |
| 3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? | | |
| YES | | |
| NO | | |

IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.

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

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

DATE:

MAQUASSI HILLS LOCAL MUNICIPALITY

CONTRACT No....

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VALUE ADDED TAX (VAT) APPORTIONMENT PERCENTAGE AND
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DATA SHEET 2: AUTHORITY TO SIGN DOCUMENT

I/We*, the undersigned, am/are* duly authorised to sign the tender document on behalf of

.....

by virtue of the Articles of Association/Resolution of the Board of Directors*, of which a certified
copy is attached, or

.....

Full Name of Signatory:

Capacity of Signatory:

Signature:

Date:

Witnesses:-

(1) Full Name:

Signature:Date.....

(2) Full Name:

Signature:Date.....

MAQUASSI HILLS LOCAL MUNICIPALITY

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DATA SHEET 3: STATEMENT OF PREVIOUS EXPERIENCE

The nomination of works, preferably of a similar nature to the works in this contract and which the Tenderer has successfully completed, is invited for adjudication purposes.

Tenderers are hereby required to complete the schedule below in its entirety.

Alternatively, Tenderers without experience may submit statements from a person or persons or organisation as to their abilities and standing in support of their tender, for adjudication purposes.

Failure to comply with either of these requirements shall lead to disqualification.

Name of Company	Contact Person	Contact No.	Nature of Works	Value of Works and Duration

MAQUASSI HILLS LOCAL MUNICIPALITY

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SIGNATURE.....

DATE.....

MAQUASSI HILLS LOCAL MUNICIPALITY

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**PROPOSAL CALL FOR THE REVIEW / RE
ADDED TAX (VAT) APPORTIONMENT PERCENTAGE AND APPLICATION THEREOF**

DATA SHEET 4: SCHEDULE OF RESOURCES

Tenderers are required to submit details of their management, office and supervisory resources, training programmes, yard and office facilities, full-time work-force including trainees, and plant and equipment.

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SIGNATURE.....

DATE.....

DATA SHEET 5: DECLARATION OF MUNICIPAL FEES

I/We do hereby declare that the Municipal Fees of _____

Is/are, as at the date of the tender closing, fully paid up, or arrangements have been concluded with the Municipality to pay the said Fees:-

DESCRIPTION

ACCOUNT No.

Electricity

Water

Rates

I/We acknowledge that should it be found that the Municipal Fees are not up to date, the Council may take such remedial action as it required, including termination of contract, and any income due to the Contractor shall be utilised to offset any monies due to the Council.

Full Name of
Signatory.....

Capacity of
Signatory.....

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I.D.
Number.....
...

Duly authorised to sign on behalf
of.....

Physical
Address.....

.....
.....

.....
.....

Signature Date

DATA SHEET 6: DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state¹.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their 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 shareholder²):
.....

3.4 Company Registration Number:

3.5 Tax Reference Number:

3.6 VAT Registration Number:

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

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

3.8.1 If yes, furnish particulars.
.....

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

(a) a member of –

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

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

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

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

(e) a member of the accounting authority of any national or provincial public entity; or (f) an employee of Parliament or a provincial legislature.
"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

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

DATA SHEET 7: 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>The Database of Restricted Suppliers now resides on the National Treasury's website (www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.</p>	<p>Yes</p> <p><input type="checkbox"/></p>	<p>No</p> <p><input type="checkbox"/></p>
4.1.1	If so, furnish particulars:		

4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.	Yes <input type="checkbox"/>	No <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:		
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, (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

DATA SHEET 8: CERTIFICATE OF INDEPENDENT BID DETERMINATION

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

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

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

_____ (Bid
Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity) do hereby make the following statements that I certify
to be true and complete in every respect: I certify, on behalf
of:_____ that:

(Name of Bidder)

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

- (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
 9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

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

.....
Signature

.....
Date

.....
Name of Bidder

..... Position

DATA SHEET 9: 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:

* Delete if not applicable

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

***YES / NO**

- 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.

.....
.....

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

***YES / NO**

- 3.1 If yes, furnish particulars

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

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

***YES / NO**

- 4.1 If yes, furnish 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

DATA SHEET 10: TENDER BRIEFING MEETING CERTIFICATE

As required in terms of this document, I/we attended the compulsory Tender Briefing Meeting on the date specified below.

I/We carefully examined the contract document, and have made myself/ourselves fully conversant with all the circumstances likely to influence this contract.

I/We further certify that I am/we are satisfied with the description of the Works and the explanation given by or on behalf of the Engineer at the Tender Briefing Meeting, and that I/we understand perfectly the work to be done, as specified and implied, in the execution of the contract.

NAME OF SERVICE PROVIDER : _____

NAME OF SIGNATORY : _____

ADDRESS : _____

—

TENDER BRIEFING MEETING CERTIFICATE

This certifies that _____ (Name)

Representing _____ (Firm)

Attended the Tender Briefing Meeting for this contract on

_____ (Date)

SIGNED: _____

For
MAQUASSI HILLS LOCAL MUNICIPALITY

CONTRACT No.

**PROPOSAL CALL FOR THE REVIEW / RECOVERY AND CALCULATION OF VALUE
ADDED TAX (VAT) APPORTIONMENT PERCENTAGE AND APPLICATION THEREOF**

TENDER FORM

The Municipal Manager
ADDRESS

Dear Sir/Madam,

Having examined the Conditions of Contract, Specifications, Tender and Legislation of the above contract, I/we offer to supply and deliver the whole of the said Works in conformity with the Conditions of Contract, Specification, Tender and Legislation, save as amended by any modifications under Annexure "A", for the Contingency Fees as stipulated in the Pricing Schedule herein.

I/We undertake to deliver the goods comprised in the contract within the time frames stated in this contract document.

I/We certify that I/we have satisfied myself/ourselves that the particulars inserted on all required Affidavits (if applicable) are complete and correct.

I/We confirm that I am/we are fully acquainted with the current South African laws and regulations applicable to this contract including inter alia those laws to which my/our attention has been drawn in the Legislation section of this document.

I/We are registered VAT vendors and my/our VAT vendor registration number is:

I/We are formally associated by written agreement with the following firms, corporations or companies:

(Enter Nil if no affiliations)

I/We are fully paid up members in good standing of the following organisation(s):

(Enter Nil if no affiliations)

My/Our Tender Deposit receipt number as issued by the Council is _____
(Include a copy of the Tender Deposit Receipt if purchased at the Name of Municipality)

I/We bank at the _____

Branch of _____

Where I/we have a _____ account.

It is agreed and understood that should there be any changes on the banking details provided for the entity, a duly signed resolution by all its directors and minutes whereby a resolution for changing the banking details was passed will be submitted to Council including the original letter from the bank confirming the details.

It is agreed and understood that this tender is valid for four (4) months from the date hereof and that it, together with your final letter of acceptance, shall constitute a binding Contract between us.

I/We understand that the Council is not bound to accept the lowest or any tender and acknowledge that the Head: Supply Chain Management may, in her absolute discretion if good and sufficient grounds are brought to her attention in writing within five (5) working days from the date of closing of tenders, decline to consider my/our offer.

I/We the undersigned, warrants that I am/we are duly authorised to do so on behalf of the enterprise, certifies that the enterprise complies with all statutory and municipal requirements and that the information supplied in terms of this documents with additional information is correct and accurate and acknowledges that if the information supplied is found to be incorrect then the Name of Municipality in addition to any remedies, it may have: may

- i Recover from the Enterprise all costs, losses or damages incurred or sustained by the Municipality as result of the award of the contract, and /or
- ii Cancel the contract and claim any damages which the Municipality may suffer by having to make less favourable arrangements after such cancellations, and/or
- iii Impose a penalty on the Enterprise as provided in the Tender Document, and/or
- iv Take any other action as may be deemed necessary.

I/we further undertake to submit documentary proof regarding any tendering issue to the Council when so required.

Full Name of Signatory.....

Capacity of Signatory.....

Identity Number.....

Duly authorised to sign on behalf of.....

Physical Address.....

.....

SIGNATURE..... DATE.....

ANNEXURE “A”

MAQUASSI HILLS LOCAL MUNICIPALITY

CONTRACT No.....

**PROPOSAL CALL FOR THE REVIEW / RECOVERY AND CALCULATION OF VALUE
ADDED TAX (VAT) APPORTIONMENT PERCENTAGE AND APPLICATION THEREOF**

ALTERATIONS BY TENDERER

PAGE	SEION OR ITEM	PROPOSED DEPARTURE/MODIFICATION
-------------	----------------------	--

--	--	--

SIGNATURE..... DATE.....

ANNEXURE “B”

NAME OF MUNICIPALITY

CONTRACT No.....

**PROPOSAL CALL FOR THE REVIEW / RECOVERY AND CALCULATION OF VALUE
ADDED TAX (VAT) APPORTIONMENT PERCENTAGE AND APPLICATION THEREOF**

OCCUPATIONAL HEALTH AND SAFETY ACT (ACT No. 85 OF 1993)

SECTION 37(1)

Whenever an employee does or omits to do any act which would be an offence in terms of this Act for the employer of such employee or a user to do or omit to do, then, it is proved that –

- (a) in doing or omitting to do the act the employee was acting without connivance or permission of the employer or any such user;*
- (b) it was not under any condition or in any circumstance within the scope of the authority of the employee to do or omit to do an act, whether lawful or unlawful, of the character of the act or omission charged; and*
- (c) all reasonable steps were taken by the employer or any such user to prevent any act or omission of the kind in question,*

the employer or any such user himself shall be presumed to have done or omitted to do that act, and shall be liable to be convicted and sentenced in respect thereof; and the fact that he issued instructions forbidding any act or omission of the kind in question shall not, in itself, be accepted as sufficient proof that he took all reasonable steps to prevent the act or omission.

SECTION 37(2)

The provisions of subsection (1) shall “mutatis mutandi” apply in the case of a mandatory of any employer or user, except if the parties have agreed in writing to the arrangements and procedures between them to ensure compliance by the mandatory with the provisions of this Act.

ACCEPTANCE BY MANDATORY

In terms of the provisions of Section 37(2) of the Occupational Health and Safety Act 85 of 1993,
I,

(Name of PRINCIPAL CONTRACTOR / Representative) acting for and on behalf of

____ (Name of PRINCIPAL CONTRACTOR / Company) undertake to ensure that the requirements and provisions of the Health and Safety Specifications issued by the client at the following site:

(Name of Site) are complied with in the following manner:

- To produce, review, monitor and enforce a Health and Safety Plan which has been approved by the Client, an Agent for the Client or a Principal Contractor;
- To include a risk assessment in the Health and Safety Plan which identifies all hazards pertaining to the project;
- To ensure that all relevant documentation required by the Occupational Health and Safety Act and Regulations, including the Construction Regulations, the Compensation for Occupational Injuries and Diseases Act as well as any other statutory laws as amended from time to time is available on site in the health and safety file; ▪ Enforce precautionary measures stipulated in the risk assessments.

The person signing this agreement confirms that he/she has the authority to so sign and to bind his/her employer, the said Contractor.

Signature: _____ Date: _____ (on
behalf of PRINCIPAL CONTRACTOR)

Signature: _____ Date: _____
(CLIENT- Name of Municipality)

Print Name: _____
(Name of CLIENT Representative)

MAQUASSI HILLS LOCAL MUNICIPALITY

CONTRACT No.....

**PROPOSAL CALL FOR THE REVIEW / RECOVERY AND CALCULATION OF VALUE
ADDED TAX (VAT) APPORTIONMENT PERCENTAGE AND APPLICATION THEREOF**

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

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

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

1. GENERAL CONDITIONS

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

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

The 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

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

1.3 Points for this bid shall be awarded for:
Price; and B-BBEE Status Level of Contributor.

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

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
TOTAL POINTS FOR PRICE AND B-BBEE MUST NOT EXCEED	100

- 1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
- 1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

2. **DEFINITIONS**

- (a) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **“Bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“Functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“Prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“Proof of B-BBEE status level of contributor”** means:
- 1) B-BBEE Status level certificate issued by an authorized body or person;
 - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
 - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“Rand Value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

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

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

80/20

or

90/10

$$Ps \div 80 \div 1 \div \frac{Pt - P_{min}}{P_{min}} \text{ or } Ps \div 90 \div 1 \div \frac{Pt - P_{min}}{P_{min}}$$

Where: - Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

P_{min} = Price of lowest acceptable bid

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

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

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

5. BID DECLARATION

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

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

6.1 B-BBEE Status Level of Contributor: =

(Maximum of 10 or 20 points)

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

7. SUB-CONTRACTING

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

(Tick applicable box)

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

7.1.1 If yes, indicate:

i) What percentage of the contract will be subcontracted?%

ii) The name of the sub-contractor.....

.....

iii) The B-BBEE status level of the sub-contractor.....

iv) Whether the sub-contractor is an EME or QSE:

(Tick applicable box)

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

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

Designated Group: An EME or QSE which is at last 51% owned by:	EME √	QSE √
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Co-operative owned by black people		
Black people who are military veterans		
OR		
Any EME		
Any QSE		

8. DECLARATION WITH REGARD TO COMPANY/FIRM

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

8.2 VAT registration number:.....

8.3 Company registration number:.....

8.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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

8.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

8.7 MUNICIPAL INFORMATION

Municipality where business is situated:

Registered Account Number:

Stand Number:

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

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution.

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

DATE:

ADDRESS:

.....

.....

WITNESSES:

1.

2.

SWORN AFFIDAVIT – B-BBEE EXEMPTED MICRO ENTERPRISE

I, the undersigned,

Full Name and Surname	
Identity Number	

Hereby declare under oath as follows:

1. The contents of this statement are to the best of my knowledge a true reflection of the facts.
2. I am a member / director / owner of the following enterprise and am duly authorised to act on its behalf:

Enterprise Name	
Trading Name	
Registration Number	
Enterprise Address	

3. I hereby declare under oath that:

- The enterprise is _____ % black owned;
- The enterprise is _____ % black woman owned;
- Based on the management accounts and other information available on the _____ financial year, the income did not exceed R10,000,000.00 (ten million rands);
- Please confirm on the table below the B-BBEE level contributor, **by ticking the applicable box.**

100% black owned	Level One (135% B-BBEE procurement recognition)	
More than 51% black owned	Level Two (125% B-BBEE procurement recognition)	
Less than 51% black owned	Level Four (100% B-BBEE procurement recognition)	

4. The entity is an empowering supplier in terms of **the dti** Codes of Good Practice.
5. I know and understand the contents of this affidavit and I have no objection to take the prescribed oath and consider the oath binding on my conscience and on the owners of the enterprise which I represent in this matter.
6. The sworn affidavit will be valid for a period of 12 months from the date signed by commissioner.

Deponent Signature: _____ Date: _____

Commissioner of Oaths Signature and Stamp

Please affix to this page a certified copy of the B-BBEE Status Level Verification Certificate as required in terms of Preferential Procurement Regulations 2017, issued in terms of section 5 of the Preferential Procurement Policy Framework Act, Act No. 5 of 2000

