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813 Main Street , Mount Frere  
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## UMZIMVUBU LOCAL MUNICIPALITY

**BID NO: UMZ/2023-26/BTO/AFR/001**

### PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS

NAME OF BIDDER : \_\_\_\_\_

CONTACT PERSON : \_\_\_\_\_

CONTACT NUMBER : \_\_\_\_\_

BID PRICING : \_\_\_\_\_

CATEGORY (AFS or FAR): \_\_\_\_\_

PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.

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**ADVERT DATE: 02 October 2023**  
**PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**  
**CONTRACT NUMBER: UMZ/2023-26/BTO/AFR/001**

Umzimvubu Local Municipality seeks to appoint a qualified and an experienced service provider for the PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS for Umzimvubu Local Municipality for a contract duration of three (03) years.

**MANDATORY DOCUMENTS TO BE SUBMITTED FAILURE TO DO SO WILL LEAD TO BIDS BEING DEEMED TO BE NON-RESPONSIVE.**

Umzimvubu Local Municipality Supply Chain Management policy will apply Certificate or confirmation from SARS with a verification pin, copy of company Registration/Founding Statement/CIPC Document. The bid will be evaluated on 80/20 evaluation criteria. Specific Goals will be utilised where 10 Points will be allocated to 100% black owned companies, 5 Points to Disability owned companies (proof of disability certificate to be attached) and 5 points to be allocated to female owned companies. Prices quoted must be firm and must be inclusive of VAT for vat vendors. Original Certified ID Copies of Managing Directors/ Owners. Fully completed MBD forms 4, 6.1, 8, and 9 and Billing clearance certificate or statement of municipal accounts, affidavit, confirmation letter with declaration that a company does not owe municipal services for more than 90 days are compulsory submission. Bidders must be registered on CSD and provide confirmation of registration. No couriered, faxed, e-mailed, and late tenders will be accepted. Certification of documents must be within a period of 90 days. Umzimvubu Local Municipality reserves the right not to appoint and value for money will be the key determinant.

All tenders must be deposited in the tender box situated at Umzimvubu Local Municipality Offices at Dabula Street Sophia, KwaBhaca/Mt Frere, Eastern Cape, 5090 Coordinates (30,90417° S, 28,98138° E) to be closed not later than 12h00 noon on the **19 October 2023** where they will be opened in public.

All tenders must be clearly marked **"PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS."**. The municipality will not make any award to a person or persons working for the state.

**Pre-Qualification:**

All bids will be subjected to a pre-qualification and will be required to achieve a minimum of 70 points for functionality in order to be evaluated further.

Evaluation Criteria	Total Points
1. Previous Experience	40
2. Expertise	40
3. Methodology	20
<b>Total</b>	<b>100</b>

Tender documents will be available on E-tender portal for free to be downloaded and those that need hard copies will be available at Municipal Offices at a fee of R451.00 to cover printing costs.

All technical enquiries may be directed to Mr. S. Mbusi and SCM Mr. T. Mbukushe on 039 255 8555. Other enquiries regarding this bid may be directed to the office of the Municipal Manager: Mr. GPT Nota

**Mr. GPT NOTA**

**MUNICIPAL MANAGER**

**PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**

**(3) INVITATION TO BID****INVITATION TO BID****YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (UMZIMVUBU LOCAL MUNICIPALITY)**

BID NUMBER:	UMZ/2023-26/BTO/AFR/001	CLOSING DATE:	19 Oct 2023	CLOSING TIME:	12h00
DESCRIPTION	PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS..				
<b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).</b>					
BID RESPONSE DOCUMENTS MAY BE DELIVERED TO: THE RECEPTION AREA AT UMZIMVUBU LOCAL MUNICIPALITY, DABULA STREET, SOPHIA PARK, KWA-BHACA, EASTERN CAPE, 5090 (30°54'30.8"S 28°58'53.4"E)					
<b>SUPPLIER INFORMATION</b>					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT <input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b>					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED? <input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3 ]		
TOTAL NUMBER OF ITEMS OFFERED			TOTAL BID PRICE (RATE)		R
SIGNATURE OF BIDDER	.....		DATE		
CAPACITY UNDER WHICH THIS BID IS SIGNED					
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>			<b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>		
DEPARTMENT	BTO (SCM)		CONTACT PERSON	Siphosethu Mbusi	
CONTACT PERSON	Themba Mbukushe		TELEPHONE NUMBER	039 255 8555	
TELEPHONE NUMBER	039 255 8555		FACSIMILE NUMBER	N/A	
FACSIMILE NUMBER	N/A		E-MAIL ADDRESS	mbusi.siphosethu@Umzimvubu.gov.za	
E-MAIL ADDRESS	mbukushe.themba@Umzimvubu.gov.za				

**PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**

## PART B

### TERMS AND CONDITIONS FOR BIDDING

<b>1. BID SUBMISSION:</b>	
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.	
1.2. <b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED-- (NOT TO BE RE-TYPED) OR ONLINE</b>	
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.	
<b>2. TAX COMPLIANCE REQUIREMENTS</b>	
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.	
2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.	
2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.	
2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.	
2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.	
2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.	
2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.	
<b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>	
3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.3. DOES THE ENTITY HAVE PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	<input type="checkbox"/> YES <input type="checkbox"/> NO
<b>IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.</b>	

**NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.**

**NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.**

SIGNATURE OF BIDDER: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED: .....

DATE: .....

**PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**

#### (4) EVALUATION CRITERIA

Bids will be evaluated as follows:

PRE-QUALIFYING COMPLIANCE CRITERIA (FAILURE TO PROVIDE THE FOLLOWING MAY RESULT IN YOUR BID BEING DISQUALIFIED):

- Certified copies (not older than 3 months from date of advert) of:
  - Entity Registration Documents
  - ID Copy(ies) of Director(s) (not older than 3 months)
- CSD Registration
- SARS Valid PIN Printout
- Bid documents MBD4, MBD6.1, MBD 8 and MDB 9
- Annual Financial Statements (not older than 12 months from advert date)
- Billing Clearance Certificate or Statement of Municipal Accounts confirming that no undisputed municipal accounts are overdue by more than 30 days and letter signed by the bidder declaring that all accounts have been disclosed and no account is more than 30 Days in areas.
- A certified copy copies (not older than 3 months from date of advert) or Original BBBEE Status Level Certificate (SANAS accredited) or original affidavit
- In case of a joint venture, an original valid Tax Compliance Document of both partners should be submitted as well as a signed agreement by both parties clearly indicating the lead partner

Bids which satisfy the above qualifying criteria will be evaluated using a two-stage evaluation as follows: -

A two envelop system will apply; 1st envelop will be the “Functionality” and the 2nd envelop will be for “Price”

##### STAGE 1: TECHNICAL / FUNCTIONAL EVALUATION

As a first stage, bids will be evaluated to establish whether they meet the minimum required thresholds for functionality. In this regard, Bidders are required to achieve a functional score of not less than 70% of the total points to proceed to the financial evaluation.

Bids will be evaluated based on the following criteria for Functionality:

**NB: service provide are to indicate the category they are bidding for, category 1 or 2 and will be evaluated based on the following criteria as per the category selection.**

**CATEGORY 1: PREPARATION OF A GRAP COMPLIANT MOVABLE AND IMMOVABLE ASSETS REGISTER.**

COMPETENCE	SCORE	REQUIRED EVIDENCE	SCORE Allocation
1. Qualifications of key personnel (certified copies qualifications not older than 3 months, job profiles (CV), proof of employment and the organizational structure).	40	1 x full time CA (SA) to lead the team with extensive knowledge (5 years or more) in Local Government Environment	15
		1 x full time Engineers / Technologists / Technicians professionally registered with ECSA.	15
		Professional valuer registered with the South African Council of Property Valuers Profession (SACPVP).	5
		At least two professional accountants with Bachelor of Commerce or National diploma in Accounting.	5
2. Expertise and Relevant Experience (Provide Audit Reports).	20	Five (5) or more contacted reference letters where a GRAP compliant Fixed Asset Register was not qualified on Immovable Assets.	20
		Three to four (3 to 4) contacted reference letters were a GRAP compliant Fixed Asset Register was not qualified on Immovable Assets.	10
		One to two (1-2) contacted reference letters were a GRAP compliant Fixed Asset Register was not qualified on Immovable Assets	5
		No contactable references	0
	20	Company must be registered with SAICA and / or IRBA.	10
		Civil Engineer registered with IWMSA.	10
	3. Quality of methodology relevant to assignment step by step with time frames	20	A fully detailed methodology aligned to the Terms of Reference with clear milestones, project plan, projected cash flows and time frames.
Basic methodology with time frames			10
Unclear methodology with no time frames			0
Total			100

**NB: Bidders should score a minimum of 70% of the functionality to proceed to the next stage. Bidders not scoring any points on any of the areas will not be considered even if the bidder scored the minimum 70% required.**

**CATEGORY 2: ANNUAL FINANCIAL STATEMENT REVIEW.**

COMPETENCE	SCORE	REQUIRED EVIDENCE	SCORE Allocation
1. <u>Previous experience with similar projects:</u> Submit appointment and referral letters from municipalities / entities / government departments where GRAP compliant AFS reviews were satisfactory performed (i.e No MFMA section 122 (1) non-compliant).	30	5 or more appointment and referral letters	30
		2 to 4 appointment and referral letters	20
		1 appointment and referral letter	10
		Zero appointment and referral letter.	0
2. The company's registration and qualification of the team to be involved in the project <i>(Provide relevant certified proof)</i>	50	Company is registered with SAICA and / or IRBA.	10
		Lead partner a qualified Chartered Accountant.	10
		Lead partner relevant work experience: ➤ 10 years or more (10 points) ➤ 5 to 9 years (5 points) ➤ 1 to 4 years (0 points)	10
		Project Manager Qualification: ➤ NQF Level 8 (10 points) ➤ NQF Level 7 (15 points) ➤ NQF Level 6 (0 points)	10
		Project Manager relevant work experience: ➤ 5 years or more (10 points) ➤ 3 to 4 years (5 points) ➤ Less than 3 years (0 points)	10
3. Quality of methodology relevant to assignment step by step with time frames	20	A fully detailed methodology aligned to the Terms of Reference with clear milestones, project plan, projected cash flows and time frames.	20
		Basic methodology with time frames	10
		Unclear methodology with no time frames	0
Total			100

**NB: Bidders should score a minimum of 70% of the functionality to proceed to the next stage. Bidders not scoring any points on any of the areas will not be considered even if the bidder scored the minimum 70% required.**

**PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**



<b>(5) CONTRACT FORM (TO BE FILLED IN BY UMZIMVUBU LOCAL MUNICIPALITY)</b>
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By signing this *Contract Form* Umzimvubu Local Municipality (also referred to as the 'Purchaser'):

1. accepts your bid under reference number ....., awarded on the \_\_\_\_\_ for the **PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**
2. Undertakes to make payment for the goods/services delivered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice accompanied by the delivery note.

DESCRIPTION OF SERVICES.	PRICE (ALL APPLICABLE TAXES INCLUDED)	COMPLETION DATE

SIGNED AT \_\_\_\_\_ ON THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_ 20\_\_\_\_

---

Signature(s)

---

Print name(s):  
(Municipal Manager)

---

Date

WITNESSES

1. ....

2. ....

DATE.....

**PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**

## (6) PRICE SCHEDULE

- The price evaluated shall include all local taxes and reimbursable expenses.
- The municipality reserves the right not to accept the bidder with the lowest price.
- The service provider must provide a comprehensive budget showing the service activities proposed and budgeted hours per activity.
- The budget should specify the hourly charge-out rates of staff members assigned to the project.
- All assumptions made in drawing the budget, including all cost factors such as subsistence and travelling must be detailed.
- The service provider should include a breakdown of the hourly tariff applicable for any ad-hoc projects that may be requested.
- In supplying the quoted fees, the service provider may use the approved consultant's rates as per guidelines.

**It is understood that financial services are based on an hourly rate, financial proposal will be completed with the below schedule not limited to what has been stipulated. Bidders are encouraged to fill in the table of the category they are bidding for.**

### **CATEGORY 1: PREPARATION OF A GRAP COMPLIANT MOVABLE AND IMMOVABLE ASSETS REGISTER**

<b>ITEM</b>	<b>HOURLY RATES (Inc. Vat) (Inc. all overheads) Year 1.</b>	<b>HOURLY RATES (Inc. Vat) (Inc. all overheads) Year 2.</b>	<b>HOURLY RATES (Inc. Vat) (Inc. all overheads) Year 3.</b>
CA (SA)/ Chartered Accountant.			
Engineers / Technologists / Technicians professionally registered with ECSA			
Professional valuer registered with the South African Council of Property Valuers Profession (SACPVP).			
professional accountants with Bachelor of Commerce or National diploma in accounting.			
<b>Total</b>			

**PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**

**CATEGORY 2: ANNUAL FINANCIAL STATEMENT REVIEW.**

ITEM	HOURLY RATES (Inc. Vat) (Inc. all overheads) Year 1.	HOURLY RATES (Inc. Vat) (Inc. all overheads) Year 2.	HOURLY RATES (Inc. Vat) (Inc. all overheads) Year 3.
CA (SA)/ Chartered Accountant.			
Project Manager			
<b>Total</b>			

I, the undersigned, do hereby declare that the above is a properly priced schedule forming part of this contract document upon which my/our tender for Bid No. UMZ/2023-26/BTO/AFR/001: **PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS** has been based.

**SIGNED ON BEHALF OF THE TENDERER:** .....

## **(7) BID SPECIFICATIONS**

### **1. INTRODUCTION**

The objectives of the Municipal Finance Management Act, 2003 as amended (MFMA) are to secure accountability and to regulate financial management in the public sector, thereby ensuring that revenue, expenditure, assets and liabilities are managed efficiently and effectively.

The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standard of GRAP and the requirements of MFMA and DoRA, and for such internal controls as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Section 63 1(a) of the MFMA assigns responsibility to the accounting officer for the management, including the safeguarding and the maintenance of the assets, while section 63 2(c) requires the maintaining of a system of internal control of assets, including an asset register.

One of the major requirements of good internal control is to safeguard assets. Best practice requires that assets be appropriately secured and maintained, used for the purposes intended, periodically accounted for, and properly disposed.

Section 122 (1) of the MFMA states that every municipality and every municipal entity must for each financial year prepare annual financial statements which:

- (a) fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year; and
- (b) disclose the information required in terms of sections 123, 124 and 125.

Section 122 (1) of the MFMA states that the accounting officer of a municipality:

- (a) must prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing; and
- (b) must in addition, in the case of a municipality referred to in section 122(2), prepare consolidated annual financial statements in terms of that section and, within three months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing.

## **2. OVERALL GOALS/OBJECTIVES**

The objectives of this bid are to appoint a suitable service provider, with competent and skilled personnel that can provide accountant services to Umzimvubu Local Municipality as mentioned in this document.

Successful bidders will work closely with the Budget and Treasury department and shall report to the head of the finance department.

## **3. SCOPE OF WORK**

The winning bidder / service provider will be responsible for:

### **Category 1:**

#### **Immovable Assets:**

1. Project management of project and communication and coordination of activities between the municipal departments to ensure successful completion of the project. This will also require regular feedback sessions.
2. A knowledgeable application of mSCOA that can be transformed from the service provider's system application to be in line with the municipalities' method of application.
3. Update and improve the municipal hierarchies in line with GRAP and the Government Immovable Asset Management Act (GIAMA) requirements.
4. Assist in the review of the municipality's policies on an annual basis that includes changes in GRAP and if necessary, proposer changes to documentation with reference to changes for approval by council.
5. Analyze and inform the municipality of the effect of changes in the municipal policy on existing assets and provide a GRAP analysis to the municipality based on changes in GRAP and findings raised by the Accounting General.
6. Provision of a well-documented methodology to illustrate GRAP compliance in all aspects of the municipalities accounting policy and assets management policy.
7. Tracking of all project expenditures and liabilities to be capitalized.
8. Review of all maintenance accounts for capital expenditure.
9. Tracking and monitoring of all municipal projects, donated assets, self-constructed assets and transferred assets by function or other.
10. Verification of all assets completed or in progress of completion quarterly.
11. Componentization of additions as and when the project is completed i.e. completed capital projects and donated assets.
12. Valuation of additions with enough support for the valuations, as and when required.
13. Verification methodology to verify all municipal assets and schedule of how and when verifications will be performed:
  - a. Impairment assessment

**PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**

- b. Condition assessment
  - c. Evidence reports
  - d. Skills utilized
- 14. Geographic asset tags for system use and pinpoint location of the asset for asset verification or tracking.
- 15. Data integrity checks and updates to ensure data maintenance and relevance.
- 16. Financial Asset Register update and maintenance.
- 17. Upgrade of WIP register.
- 18. Statutory reviews of the asset register detail;
  - a. RUL reviews
  - b. EUL reviews
  - c. Residual values
  - d. Raise and / or reversal of impairments
  - e. Revaluations
- 19. Reconciliation of all PPE assets to relevant indicators e.g. buildings to land deeds information, valuation rolls and servitudes.
- 20. Land reconciliations and tracking of movements.
- 21. Investment property register tracking and valuation:
  - a. Valuation of new assets
  - b. Liaison with the municipality in the use of land and municipalities intent with land
  - c. Tracing of reclassification of use of assets
  - d. Property division tracking and recognition
  - e. Financial treatments and disclosure on register
- 22. Land inventory registers and valuation.
- 23. Land held for sale classification and tracking.
- 24. Land valuations per different valuation methods required by GRAP.
- 25. Identification and recognition of heritage assets.
- 26. Supporting schedules and evidence files:
  - a. Document management
  - b. Photo's
  - c. Drawings
  - d. Spatial files
  - e. Invoices
  - f. Available / remaining budget amounts
- 27. Technical reporting:
  - a. Current capacity and replacement costs
  - b. Asset replacement reports
- 28. Provision of support for financial statement drafting:

**PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**

- a. Disclosure breakdowns and details
  - b. Asset summary reports
  - c. Events occurring during the year
  - d. Proposed Journals
  - e. Disclosure reviews
  - f. Supporting schedules
  - g. Financial valuation reports
  - h. Assets verification reports
29. Rehabilitation provision report analysis and update of effect on the asset registers.
  30. Analysis of any self-produced assets and process for capitalization of depreciation, salaries, borrowing cost, transaction costs, and asset test costs etc. as allowable per GRAP.
  31. Assessment of maintenance for the creation of replacement assets and accounting treatment thereof.
  32. AMS implementation.
  33. Skills transfer and proof of transfer including methodology to be applied
  34. Provide system/ APP to assist in Movable asset verification
  35. Review and advise with Movable assets
  36. Updating and Maintenance of Standard operating procedures for Movables
  37. Develop / Review / Assist in Asset Management Plan and Strategy
  38. Assist in preparation and Maintenance of PAAP
  39. Address all (with support) prior year audit findings
  40. Alignment of register to roads maintenance plan
  41. Always have designated personnel available anytime (preferably monthly)

**Movable Assets:**

1. Setup and configuration of structures as well as project setup and planning.
2. Physical verification, data capturing and condition assessment
3. Quality control and data integrity checks
4. Full time (on site) Project Manager for verification phase
5. Printing and sign off inventory sign off sheets for assets belonging to a specific owner (in duplicate)
6. Produce and analysis report on the current issues that exist on the fixed asset register. This helps to try and close gaps within the register if possible.
7. Reconciliation of newly verified asset register to the existing asset register.
8. Consolidation of reconciled and valued FAR
9. Depreciation calculations
10. Produce Statutory financial disclosures for fixed assets
11. Final Close Out Report
12. The review of life to determine whether the life of the asset needs to be extended or reduced based

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- on the determined condition of the asset from the verification. Includes assigning bar-code numbers.
13. Obtaining all invoices for current year additions, capturing and unbundling them into a proper electronic format in order to add them to latest fixed asset register
  14. Reconciliation of specific GL control accounts to determine whether transactions for fixed assets have taken place in these accounts. If necessary, Journal entries will have to be made to transfer these assets to the correct asset control accounts.
  15. Handling of any fixed asset related AG Queries
  16. Statutory reviews of the asset register detail.
    - a. RUL reviews
    - b. EUL reviews
    - c. Residual values

**Strategic Information:**

1. Development / Review of Assets Management Plan (Movable and Immovables)
2. Development / Review of Asset Management Strategy (Movable and Immovables)
3. Development / Review of Asset Maintenance Plan



**Category 2:**

<b>FINANCIAL STATEMENT AREA</b>	<b>Scope</b>
<b>Prior period errors</b>	<ul style="list-style-type: none"> <li>• Review AGSA Management letters and audit reports for prior periods, and identify all unresolved audit findings and help management to resolve them;</li> <li>• Prepare and audit file for prior period error adjustments;</li> <li>• Restate the opening trial balance and prepare GRAP compliant restatement note;</li> <li>• Engage AGSA before year end so that they can audit opening balances;</li> </ul>
<b>Chart of Accounts</b>	<ul style="list-style-type: none"> <li>• Verify that vote descriptions clearly describe the accounts relating to different sections of the Trial Balance to allow for ease of use, trail and general understanding of users.</li> </ul>
<b>Journals entries into the general ledger</b>	<ul style="list-style-type: none"> <li>• Obtain all journals posted into the general ledger and verify that they are accurate and adequately supported by underlying documentation;</li> <li>• Conduct In-house training sessions for the staff responsible for posting transactions to ensure that they are continuously on the look-out for erroneous postings, and understand the adequacy of information supporting journals;</li> </ul>
<b>Training and skills transfer</b>	<ul style="list-style-type: none"> <li>• Carry out formal training and on the job training with the municipal staff on the following: <ul style="list-style-type: none"> <li>• Preparation of audit files;</li> <li>• Preparation of financial statements on Case Ware;</li> <li>• GRAP items affecting the Municipality;</li> </ul> </li> <li>• The service provider must note that all its work must be done together with municipal officials so that there will be an effective skills transfer.</li> </ul>
<b>Interim Financial Statements</b>	<ul style="list-style-type: none"> <li>• Prepare interim financial statements</li> <li>• The IFS must be substantially complete and compliant with all relevant GRAP Standards;</li> </ul>
<b>Preparation of financial statements</b>	<ul style="list-style-type: none"> <li>• The AFS agrees to prior year audited AFS and Annual report.</li> <li>• Prepare draft financial statements for the Municipality in compliance with GRAP using Case Ware;</li> <li>• The AFS agrees to the fixed assets register, debtor's age analysis and other supporting documentation.</li> <li>• The AFS balance with the financial system generated Trail balance.</li> <li>• Perform any other action that will ensure that the quality of the annual financial statements is enhanced prior to submission to the Auditor General on 31 August each year within the contract years.</li> <li>• All Financial Performance items reconcile.</li> <li>• Prepare an audit file supporting all financial statement areas of the AFS;</li> <li>• Reconcile AFS to the audit file and supporting schedules to ensure they are accurate and complete.</li> <li>• Conduct Employee Benefit (Long Service Award) calculations as per GRAP 25.</li> <li>• Investment Property fair value calculations as per GRAP 16.</li> </ul>
<b>Audit support</b>	<ul style="list-style-type: none"> <li>• Remain on the premises of the municipality for the entire project until audit is complete;</li> <li>• On invite, attend audit steering committee meeting and respond to /advise the municipality of audit/AFS issues;</li> <li>• Respond to auditors' requests for information and queries;</li> </ul>
<b>Strategic requirement</b>	<ul style="list-style-type: none"> <li>• Consistency and alignment of accounting policies in the AFS with the standards of GRAP and policies adopted by council.</li> <li>• Assist in preparation of accounting policy documents to align with current year GRAP amendments, whenever necessarily.</li> </ul>

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<b>Software requirements</b>	<ul style="list-style-type: none"> <li>• The bidder should have access to Caseware and an expedient person should be available on site whenever requested by the municipality.</li> <li>• Knowledge of MUNSOFT accounting system for the extraction of reports, data table and MSCOA alignment of transactions group mapping.</li> </ul>
<b>Monitoring</b>	<ul style="list-style-type: none"> <li>• A steering committee will be established, and the service provider will have to report to that forum on a regular basis.</li> </ul>
<b>Close out Report</b>	<ul style="list-style-type: none"> <li>• The bidder will be required to compile a comprehensive report detailing but not limited to their work performed, findings and recommendations. The report should also outline the quality of the annual financial statements and the supporting schedules.</li> </ul>

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## (8) CONDITIONS OF TENDER

**ALL TENDER CONDITIONS AND/OR INSTRUCTIONS SET OUT BELOW MUST BE STRICTLY ADHERED TO, FAILING WHICH THIS TENDER SUBMISSION WILL BE DECLARED NON-RESPONSIVE.**

- 6.1 No tender will be considered unless deposited in the tender box situated at Umzimvubu Local Municipality Offices at Dabula Street, Sophia Park, Kwa-Bhaca, Eastern Cape, 5090 (30°54'30.8"S 28°58'53.4"E) reception area
- 6.2 Any portion of the tender document not completed will be interpreted as 'not applicable'. Notwithstanding the foregoing, failure to complete any compulsory portion of the tender document may result in the tender being declared non-responsive.
- 6.3 The municipality reserves the right to accept:
  - 6.3.1 the whole tender or part of a tender or any item or part of any item, or to accept more than one tender (in the event of a number of items being offered), and municipality is not obliged to accept the lowest or any tender;
  - 6.3.2 a tender which is not substantially or materially different from the tender Specification.
- 6.4 The municipality shall not consider tenders that are received after the closing date and time for such a tender.
- 6.5 The municipality will not be held responsible for any expenses incurred by Tenderers in preparing and submitting tenders.
- 6.6 The municipality may, after the closing date, request additional information or clarification of tenders in writing.
- 6.7 A Tenderer may request in writing, after the closing date, that the tender offer be withdrawn. Such withdrawal will be permitted or refused at the sole discretion of the municipality after consideration of the reasons for the withdrawal.
- 6.8 The municipality reserves the right to adjust arithmetical errors in the extension of rates and totals in the quote, and the bidder will be informed of the effect of any corrections on his quotation sum prior to the award of the contract. In no case will quoted rates be adjusted when correcting such errors.
- 6.9 Telegraphic quotations or quotations by facsimile will not be accepted for consideration except for the instance as indicated above where the employer needs to have amendments to the quotation.
- 6.10 **Resolutions and Authorities**  
A tender submitted:
  - 6.10.1 by a registered company may not be considered unless accompanied by a resolution by the Directors of the company authorizing the tender to be made and the signatory to sign the tender on the company's behalf **{{(16) Authority to Sign Bid Document to be completed}}**.

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- 6.10.2 by a registered close corporation may not be considered unless accompanied by written authority from all the members of the close corporation authorizing the tender to be made and the signatory to sign the tender on the close corporation's behalf **{{(16) Authority to Sign Bid Document to be completed}}**.
- 6.10.3 by a partnership/consortium/joint venture may not be considered unless accompanied by written from all parties to the partnership/consortium/joint venture authorising the tender to be made and the signatory to sign the tender on the partnership/consortium/joint venture's behalf.
- 6.11 **Partnerships/Consortiums/Joint Ventures**  
In the case of partnerships/consortiums/joint ventures, a copy of the partnership/consortium/joint venture agreement must be submitted with the tender document.
- 6.12 **Validity Period**
- 6.12.1 Any tender submitted shall remain valid, irrevocable and open for written acceptance by the municipality for **a period of 90 days** from the closing date or for such extended period as may be applicable.
- 6.12.2 The tender amount will not be amended during the aforesaid validity period.
- 6.12.3 The aforesaid validity period may be extended by the municipality provided that the original validity period has not expired, and that all bidders are given an opportunity to extend such period. Any such extension shall be agreed to by a bidder in writing.
- 6.12.4 Bidders who fail to respond to such a request before the validity of their tender expires, or who decline such a request shall not be considered further in the evaluation process.
- 6.12.5 In the event that an appeal in terms of the Systems Act 32 of 2000, is received, the validity period of the tender shall be deemed to be extended until finalisation of the appeal; unless the bidder has requested in writing that its tender be withdrawn. The provisions in respect of withdrawal as set out in clause 6.8 above will apply to such withdrawal.
- 6.13 Unauthorized alterations and additions in the nature of statement of interpretation of this bid document must be avoided. If any such amendments are made or if the bid document is not properly completed, it will cause the bid to be invalid. Any point of difficulty or doubt must be cleared with the municipality. Should any query be found to be of any significance, the municipality will inform all bidders accordingly.
- 6.14 **Tax clearance**
- 6.14.1 No award shall be made to a person whose tax matters have not been declared to be in order by the South African Revenue Service (SARS).
- 6.14.2 Tenderers are therefore required to obtain a valid Tax Clearance Certificate from the local SARS office where such Tenderer is registered for income tax/VAT purposes.
- 6.15 The municipality will publish the results of this bid on the municipal website.

## 9) GENERAL CONDITIONS OF CONTRACT

### *General Conditions of Contract*

#### **NOTES:**

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to government Bids, contracts and orders; and
- (ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.

- The General Conditions of Contract (GCC) will form part of all Bid documents and may not be amended.
- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every Bid (if applicable) and will supplement the GCC. Whenever there is a conflict, the provisions in the SCC shall prevail.

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## **General Conditions of Contract**

### **1. Definitions**

2. The following terms shall be interpreted as indicated:

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

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- 2.15 “Goods” means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 2.16 “Imported content” means that portion of the tender price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the goods covered by the Tender will be manufactured.
- 2.17 “Local content” means that portion of the tender price, which is not included in the imported content provided that local manufacture does take place.
- 2.18 “Manufacture” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 2.19 “Order” means an official written order issued for the supply of goods or works or the rendering of a service.
- 2.20 “Project site,” where applicable, means the place indicated in tender documents.
- 2.21 “Purchaser” means the organization purchasing the goods.
- 2.22 “Republic” means the Republic of South Africa.
- 2.23 “SCC” means the Special Conditions of Contract.
- 2.24 “Services” means those functional services ancillaries to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 2.25 “Supplier” means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.
- 2.26 “Tort” means in breach of contract.
- 2.27 “Turnkey” means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.
- 2.28 “Written” or “in writing” means hand-written in ink or any form of electronic or mechanical writing.

### **3. Application**

- 3.1 These general conditions are applicable to all Tenders, contracts and orders including Tenders for functional and professional services (excluding professional services related to the building and construction industry), sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the tender documents.
- 3.2 Where applicable, special conditions of contract are also laid down to cover specific goods, services or works.
- 3.3 Where such special conditions of contract are in conflict with these general conditions, the special

#### **PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**



conditions shall apply.

#### **4. General**

- 4.1 Unless otherwise indicated in the tender documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a Tender. Where applicable a non-refundable fee for documents may be charged.
- 4.2 Invitations to Tender are usually published in locally distributed news media, e-tender portal and on the Umzimvubu Local Municipality website.

#### **5. Standards**

- 5.1 The goods supplied shall conform to the standards mentioned in the tender documents and specifications.

#### **6. Use of contract documents and information inspection**

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

#### **7. Patent Rights**

- 7.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.
- 7.2 When a supplier developed documentation / projects for the Umzimvubu Local Municipality, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the Umzimvubu Local Municipality.

#### **8. Performance security**

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

**9. Inspections, tests and analyses**

- 9.1 All pre-tender testing will be for the account of the bidder.
- 9.2 If it is a Tender condition that goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.
- 9.3 If there are no inspection requirements indicated in the tender documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 9.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the goods to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 9.5 Where the goods or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 9.6 Goods and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 9.7 Any contract goods may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with goods, which do comply with the requirements of the contract. Failing such removal, the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving

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the supplier further opportunity to substitute the rejected goods, purchase such goods as may be necessary at the expense of the supplier.

- 9.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 22 of GCC.

**10. Packing**

- 10.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
- 10.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, and in any subsequent instructions ordered by the purchaser.

**11. Delivery and documents**

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

**12. Insurance**

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

**13. Transportation**

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

**14. Incidental Services**

- 14.1 The supplier may be required to provide any or all of the following services, including additional services, if any:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
  - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
  - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
  - (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.
- 14.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.
- 15. Spare parts**
- 14.1.1 As specified, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:
  - a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
  - b) in the event of termination of production of the spare parts:
    - i. advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
- 16. following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.
- 17. Warranty**
- 17.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of destination.
- 17.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise.
- 17.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.
- 17.4 Upon receipt of such notice, the supplier shall, within the period specified and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.
- 17.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.
- 18. Payment**

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- 18.1 The method and conditions of payment to be made to the supplier under this contract shall be specified.
- 18.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment of other obligations stipulated in the contract.
- 18.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 18.4 Payment will be made in Rand unless otherwise stipulated.

**19. Prices**

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

**20. Variation orders**

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

**21. Assignment**

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

**22. Subcontracts**

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

**23. Delays in the supplier's performance**

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

- 23.3 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the goods are required, or the supplier's services are not readily available.
- 23.4 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 22.2 without the application of penalties.
- 23.5 Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without cancelling the contract, be entitled to purchase goods of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

## **24. Penalties**

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

## **25. Termination for default**

- 25.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:
- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
  - (b) if the supplier fails to perform any other obligation(s) under the contract; or
  - (c) if the supplier, in the judgement of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.
- 25.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner, as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

## **26. Antidumping and countervailing duties and rights**

- 26.1 When, after the date of Tender, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or antidumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after

the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favorable difference shall on demand be paid forthwith by the supplier to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the supplier in regard to goods or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

**27. Force Majeure**

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

**28. Termination for insolvency**

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

**29. Settlement of Disputes**

- 29.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 29.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

**30. Limitation of Liability**

- 30.1 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 30.2 Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
  - (b) the purchaser shall pay the supplier any monies due the supplier for goods delivered and / or services rendered according to the prescripts of the contract.

- 30.3 except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;
- a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and
  - b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

**31. Governing language**

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

**32. Applicable law**

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

**33. Notices**

- 33.1 Every written acceptance of a Tender shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his Tender or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 33.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

**34. Taxes and duties**

- 34.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 34.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 34.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a Tender SARS must have certified that the tax matters of the preferred bidder are in order.
- 34.4 No contract shall be concluded with any bidder whose municipal rates and taxes and municipal services charges are in arrears.

**35. Transfer of contracts**

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



**36. Amendment of contracts**

- 36.1 No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing, shall also be in writing.

**37. Prohibition of restricted practices**

- 37.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding.
- 37.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No. 89 of 1998.
- 37.3 If a bidder(s) or contractor(s) has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

**(10). DECLARATION OF INTEREST- STATE EMPLOYEES**
**DECLARATION OF INTEREST**

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

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

3.2 Identity Number: .....

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

3.4 Company Registration Number: .....

3.5 Tax Reference Number: .....

3.6 VAT Registration Number: .....

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

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

3.8.1 If yes, furnish particulars. ....

.....

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

(a) a member of –

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

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

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

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

(e) a member of the accounting authority of any national or provincial public entity; or

(f) an employee of Parliament or a provincial legislature.

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

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

3.9.1 If yes, furnish particulars.....

.....

**PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**

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 MUNICIPALITY MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO  
BE FALSE.

.....  
Signature

.....  
Date

.....  
Capacity

.....  
Name of Bidder

## (11). PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

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

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

### 1. GENERAL CONDITIONS

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

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

1.2 To be completed by the organ of state

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

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

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

1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
<b>PRICE</b>	80
<b>SPECIFIC GOALS</b>	20
<b>Total points for Price and SPECIFIC GOALS</b>	<b>100</b>

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

## 2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

## 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1. POINTS AWARDED FOR PRICE

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

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

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

Where

- $P_s$  = Points scored for price of tender under consideration
- $P_t$  = Price of tender under consideration
- $P_{\min}$  = Price of lowest acceptable tender

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

#### 3.2.1. POINTS AWARDED FOR PRICE

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

$$Ps = 80 \left( 1 + \frac{80/20}{Pt - P_{max}} \right) \quad \text{or} \quad Ps = 90 \left( 1 + \frac{90/10}{Pt - P_{max}} \right)$$

Where

Ps = Points scored for price of tender under consideration  
Pt = Price of tender under consideration  
Pmax = Price of highest acceptable tender

#### 4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
  - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
- then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

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

**Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)**

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed. (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
100% black owned companies		10		
Person with disability		5		
50% Female owned companies		5		

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DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

☐ Partnership/Joint Venture / Consortium

☐ One-person business/sole propriety

☐ Close corporation

☐ Public Company

☐ Personal Liability Company

☐ (Pty) Limited

☐ Non-Profit Company

☐ State Owned Company[TICK

APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

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

**PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**

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

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

**DATE:** .....

**ADDRESS:** .....

.....

.....

**PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**

**(12) 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	Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?  (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied). <b>The Database of Restricted Suppliers now resides on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
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)? <b>Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b>	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:		
<b>Item</b>	<b>Question</b>	<b>Yes</b>	<b>No</b>
4.4	Do directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

**CERTIFICATION:**

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

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

.....  
**Signature**

.....  
**Date**

.....  
**Position**

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

**PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**

### (13) CERTIFICATE OF INDEPENDENT BID DETERMINATION

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

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

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

## 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,

**PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**

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

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

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder



(14) TRACK RECORD OF TENDERING ENTITY
---------------------------------------

The following is a Statement of Work of similar nature recently successfully executed by myself / ourselves: previous letters of appointment need to be attached. Signature compulsory below.

[illegible]

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

DATE: .....

**PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**

**(15) DEMONSTRETED EXPERIENCE**

NAME OF TENDERING ENTITY	AREA OF SPECIALISATION	RELEVANT EXPERIENCE	EXPERIENCE- FROM DATE to DATE

**PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**

**(16) AUTHORITY TO SIGN BID DOCUMENT RESOLUTION BY DIRECTORS / MEMBERS:**

**Resolution for completion by Directors (if the Bidder is a (Pty) Ltd or Ltd) or Members (if the Bidder is a CC)**

NAME OF TENDERER: \_\_\_\_\_

Meeting held at \_\_\_\_\_  
(Place)

On \_\_\_\_\_ (date)

RESOLVED THAT:

1. The Bidder submits a bid to the Umzimvubu Local Municipality in respect of Bid No:

**PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**

2. Mr./Ms. \_\_\_\_\_ in his/her capacity as \_\_\_\_\_ and who will sign as follows:

\_\_\_\_\_

(SPECIMEN SIGNATURE)

be, and is hereby, authorised to sign the tender and any and all other documents and/or correspondence in connection with and relating to the tender, as well as to sign any contract and or all documentation resulting from the award of the tender.

**Note: The resolution must be signed by all the directors /members of the Tenderer. Should the space provided below not be sufficient for all directors/members to sign, please attach a separate sheet to this schedule in the same format.**

No	Name	Capacity	Signature
1			
2			
3			
4			
5			

**PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**

## (17) FORM OF OFFER AND ACCEPTANCE

### C1.1 FORM OF OFFER AND ACCEPTANCE

#### OFFER

The Employer, identified in the acceptance signature block, has solicited offers to enter a Contract for PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.

#### **SERVICES: PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**

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

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

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

.....

.....

.....Rand (in words);

R..... (in figures)

This offer may be accepted by the Employer by signing the acceptance part of this form of offer and acceptance and returning one copy of this document to the tenderer before the end of the period of validity stated in the tender data, whereupon the tenderer becomes the party named as the Service Provider in the conditions of Contract identified in the Contract Data.

**Signature:**.....**Name:** .....

**Capacity:** .....

**For the tenderer:** .....

.....

(Name and *domiciliumcitandi* of organization)

**Name and Signature of Witness:**.....**Date:**.....

**PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**

## Acceptance

By signing this part of this form of offer and acceptance, the Employer identified below accepts the tenderer's offer. In consideration thereof, the Employer shall pay the Service Provider the amount due in accordance with the conditions of Contract identified in the Contract Data. Acceptance of the tenderer's offer shall form an agreement between the Employer and the tenderer upon the terms and conditions contained in this agreement and in the Contract that is the subject of this agreement.

The terms of the Contract, are contained in:

Part C1 Agreements and Contract Data, (which includes this agreement)

Part C2 Pricing Data (see volume 2)

Part C3 Scope of work.

and drawings and documents or parts thereof, which may be incorporated by reference into Parts C1 to C3 above.

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

The tenderer shall within two weeks after receiving a completed copy of this agreement, including the schedule of deviations (if any), contact the Employer's agent (whose details are given in the Contract Data) to arrange the delivery of any bonds, guarantees, proof of insurance and any other documentation to be provided in terms of the conditions of Contract identified in the Contract Data. Failure to fulfill any of these obligations in accordance with those terms shall constitute a repudiation of this agreement.

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

**Signature(s):** .....

**Name(s)**.....

**Capacity:** **MUNICIPALITY MANAGER**

**FOR UMZIMVUBU LOCAL MUNICIPALITY, DABULA STREET, SOPHIA PARK, KWA-BHACA, EASTERN CAPE, 5090**

(Name and *domiciliumcitandi* of organization)

Name and Signature of Witness: ..... Date: .....

**OFFICIAL STAMP:**



**PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**

## Schedule of Deviations

### Notes:

1. The extent of deviations from the tender documents issues by the Employer before the tender closing date is limited to those permitted in terms of the conditions of tender.
2. A tenderer's covering letter shall not be included in the final Contract document. Should any matter in such letter, which constitutes a deviation as aforesaid, become the subject of agreements reached during the process of offer and acceptance, the outcome of such agreement shall be recorded here.
3. Any other matter arising from the process of offer and acceptance either as a confirmation, clarification or change to the tender documents and which it is agreed by the Parties becomes an obligation of the Contract shall also be recorded here.
4. Any change or addition to the tender documents arising from the above agreements and recorded here shall also be incorporated into the final draft of the Contract.

1 Subject \_\_\_\_\_

Details \_\_\_\_\_

2 Subject \_\_\_\_\_

Details \_\_\_\_\_

3 Subject \_\_\_\_\_

Details \_\_\_\_\_

4 Subject \_\_\_\_\_

Details \_\_\_\_\_

By the duly authorized representatives signing this schedule of deviations, the Employer and the tenderer agree to and accept the foregoing schedule of deviations as the only deviations from and amendments to the documents listed in the tender data and addenda thereto as listed in the tender schedules, as well as any confirmation, clarification or changes to the terms of the offer agreed by the tenderer and the Employer during this process of offer and acceptance.

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

For the tenderer:

**Signature(s):**..... **Name(s):**.....

**Capacity:** .....

**FOR TENDERER:**

.....

.....

(Name and *domiciliumcitandi* of organization)

**Name and Signature of Witness:**.....**Date:** .....

**Signature(s):** .....

**Name(s):**.....

**Capacity:** **MUNICIPALITY MANAGER**

**FOR UMZIMVUBU LOCAL MUNICIPALITY, DABULA STREET, SOPHIA PARK, KWA-BHACA, EASTERN CAPE, 5090**

(Name and *domiciliumcitandi* of organization)

Name and Signature of Witness: ..... Date: .....

**OFFICIAL STAMP:**



**PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**

**(18) COMPANY PROFILE**

**PANEL OF FINANCIAL CONSULTANTS FOR 3 FINANCIAL YEARS.**