

**UMZINYATHI DISTRICT MUNICIPALITY**



**SPECIFICATION AND BID DOCUMENT- T2025-09 PROVISION OF BANKING  
SERVICES FOR UMZINYATHI DISTRICT MUNICIPALITY FOR A PERIOD OF FIVE (5)  
YEARS**

**CLOSING DATE:** 09 JULY 2025

**CLOSING TIME:** 12H00

**NAME OF BIDDER:** .....

**POSTAL ADDRESS:** .....  
.....  
.....

**TELEPHONE NUMBER:** .....

**FAX NUMBER:** .....

**E- MAIL ADDRESS:** .....

**ADVERTISEMENT**  
**T2025-09 PROVISION OF BANKING SERVICES FOR UMZINYATHI DISTRICT MUNICIPALITY FOR A PERIOD OF FIVE (5) YEARS**

uMzinyathi District Municipality hereby invites suitable, qualified and professional service providers for the above mentioned tender.

Tender documents will be available as from **09 May 2025, Friday** on the e-tender portal [www.etenders.gov.za](http://www.etenders.gov.za) Municipal website: [www.umzinyathi.gov.za](http://www.umzinyathi.gov.za) . All tenderers must be registered with Centralized Supplier Database (CSD) and must be Tax Compliant.

Tenders will be evaluated on the Functionality Criteria as specified in the tender documents. Bidders who score a minimum required number of points will be further evaluated using the 80/20 Preferential Point System as prescribed in the Council Supply Chain Management Policy. Only bidders who score **80 minimum points** on functionality criteria will qualify for the second stage of evaluation.

The following **Functionality Evaluation Criteria** will be applicable:

<b>Evaluation Criteria</b>	<b>Maximum Allocated Points</b>
Experience of the Bidder	40
Registration in terms of Bank Act.1990 (Act No. 94 of 1990)	30
Financial Services Provider registration	30
<b>Total</b>	<b>100</b>

The completed tender documents complying with all conditions of the tender must be enclosed in a sealed envelope and clearly marked with “ **Relevant bid number and description**” must be deposited in the official tender box located at the reception area, Princess Magogo Building, 39 Victoria Street, Dundee 3000, no later than closing date **09 July 2025, Wednesday, at 12H00** which will be followed by a public opening. Late bids or bids received by way of post, facsimile or e-mail will, under no circumstances be considered.

**Tender documents sent via Courier services must be deposited in the tender box and not be handed to an employee of uMzinyathi District Municipality.**

Umzinyathi District Municipality is not obliged to appoint the lowest bid and further reserves the right not to proceed herein and further reserves the right not to accept any bid or part thereof. Tenders submitted are to be valid for a period of 120 days from the closing date for submissions of tenders.

**Enquires** can be directed to **Mr. CB Myeni** on **Tel: 034 219 1500**, email address: [myenib@umzinyathi.gov.za](mailto:myenib@umzinyathi.gov.za) during office hours. Supply Chain Management related enquiries can be directed to **Mr. Mfikiseni Dumakude**, **Tel: 034 219 1549**, email address: [dumakudem@umzinyathi.gov.za](mailto:dumakudem@umzinyathi.gov.za).

Mrs. NT Mkhwanazi

## **SPECIAL CONDITIONS OF BID**

1. The closing date and time for submission of bids is as indicated in the notice calling for bids.
2. No bid received after the closing date will be considered. The completed bid document clearly marked relevant: **'Bid number and description'** must be deposited in the tender box located at the reception area of the uMzinyathi District Municipality Offices, 39 Victoria Street, Princess Magogo Building, Dundee, 3000, on or before **12h00 on Wednesday, 09 July 2025** where all bids will be opened in public
3. Bids must remain valid for a period of 30 days from closing date for submission of bids.
4. Bidders must initial every page of the document.
5. No bid shall be considered, unless it is submitted on the attached bidding documents.
6. Failure to complete the forms in every aspect as requested may invalidate the bid.
7. All prices must be in South African currency.
8. Please note, Bidders are to familiarize themselves with the conditions of payment as laid down in point 16.3 of the General Conditions of Contract.
9. Bidders will not be informed whether they have been successful, but the name of the successful bidder will be published on the municipal website.

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## 1. DEFINITIONS

1. The following terms shall be interpreted as indicated:
  - 1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
  - 1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
  - 1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
  - 1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
  - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
  - 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
  - 1.7 "Day" means calendar day.
  - 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
  - 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
  - 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the goods are so delivered and a valid receipt is obtained.
  - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
  - 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
  - 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
  - 1.14 "GCC" means the General Conditions of Contract.
  - 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
  - 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the goods covered by the bid will be manufactured.
  - 1.17 "Local content" means that portion of the bidding price, which is not included in the imported content provided that local manufacture does take place.
  - 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
  - 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
  - 1.20 "Project site," where applicable, means the place indicated in bidding documents.
  - 1.21 "Purchaser" means the organization purchasing the goods.
  - 1.22 "Republic" means the Republic of South Africa.
  - 1.23 "SCC" means the Special Conditions of Contract.
  - 1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.

- 1.25 “Supplier” means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.
- 1.26 “Tort” means in breach of contract.
- 1.27 “Turnkey” means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.
- 1.28.1 “Written” or “in writing” means hand-written in ink or any form of electronic or mechanical writing.

## **2. APPLICATION**

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

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

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

## **3. GENERAL**

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

3.2 Invitations to bid are usually published in locally distributed news media and on the municipal website.

## **4. STANDARDS**

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

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

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

5.2 The supplier shall not, without the purchaser’s prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.

5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier’s performance under the contract if so required by the purchaser.

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

## **6. PATENT RIGHTS**

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

6.2 When a supplier developed documentation / projects for the municipality, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality.

## **7. PERFORMANCE SECURITY**

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

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

7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms: (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or

(b) a cashier's or certified cheque

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

## **8. INSPECTIONS, TESTS AND ANALYSES**

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

8.2 If it is a bid condition that goods to be produced or services to be rendered should at any stage be subject to inspections, 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.

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

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

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

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

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

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

## **9. PACKING**

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

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

## **10. DELIVERY AND DOCUMENTS**

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

## **11. INSURANCE**

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

## **12. TRANSPORTATION**

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

## **13. INCIDENTAL SERVICES**

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

- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
- (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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

## **14. SPARE PARTS**

14.1 As specified, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier: (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and

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

- (i) advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
- (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

## **15. WARRANTY**

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by



the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise.

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

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

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

## **16. PAYMENT**

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

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

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

16.4 Payment will be made in Rand unless otherwise stipulated.

## **17. PRICES**

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

## **18. VARIATION ORDERS**

18.1 In cases where the estimated value of the envisaged changes in purchase does not 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.

## **19. ASSIGNMENT**

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

## **20. SUBCONTRACTS**

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

## **21. DELAYS IN THE SUPPLIER'S PERFORMANCE**

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

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

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

21.4 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 22.2 without the application of penalties.

21.5 Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without cancelling the contract, be entitled to purchase 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.

## **22. PENALTIES**

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

## **23. TERMINATION FOR DEFAULT**

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

- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- (b) if the supplier fails to perform any other obligation(s) under the contract; or
- (c) if the supplier, in the judgement of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

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

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

23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the supplier as having no objection and proceed with the restriction.

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

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

- (i) the name and address of the supplier and / or person restricted by the purchaser;
- (ii) the date of commencement of the restriction
- (iii) the period of restriction; and (iv) the reasons for the restriction.

These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.

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

## **24. ANTIDUMPING AND COUNTERVAILING DUTIES AND RIGHTS**

24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favorable difference shall on demand be paid forthwith by the supplier to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the supplier in regard to 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.

## **25. FORCE MAJEURE**

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

25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

## **26. TERMINATION FOR INSOLVENCY**

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

## **27. SETTLEMENT OF DISPUTES**

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

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

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

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

- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
- (b) the purchaser shall pay the supplier any monies due the supplier for goods delivered and / or services rendered according to the prescripts of the contract.

## **28. LIMITATION OF LIABILITY**

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

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

## **29. GOVERNING LANGUAGE**

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

## **30. APPLICABLE LAW**

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

## **31. NOTICES**

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

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

## **32. TAXES AND DUTIES**

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

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

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid SARS must have certified that the tax matters of the preferred bidder are in order. 32.4 No contract shall be concluded with any bidder whose municipal rates and taxes and municipal services charges are in arrears.

## **33. TRANSFER OF CONTRACTS**

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

## **34. AMENDMENT OF CONTRACTS**

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

## **35. PROHIBITION OF RESTRICTIVE PRACTICES**

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

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

35.3 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.

## **TERMS OF REFERENCE**

### **1. BIDDER'S RESPONSIBILITY**

This Section sets out the banking services which the uMzinyathi Municipality requires to be supplied, or made available, by the registered Bank (Bidder). The Bidder is requested to supply full details of the services required. The Bidder must supply details of:

- 1.1 The time frames required by Bidder and a programme for the implementation of the required banking services.
- 1.2 Any additional computer hardware or software (and its cost to the Municipality, if applicable) that the Municipality must supply for the proposed banking systems to interface with the CCG and Sage300 systems and/or to operate at the required level of efficiency, and or any other system that may become applicable to the Municipality.
- 1.3 The training requirements (and its cost to the Municipality, if applicable) for the Municipality's personnel to use the proposed banking system.
- 1.4 The Bidder is required to provide a SINGLE integrated banking system to enable the Municipality to transact with the Bank which must include:

- Electronic Payments (EFT)
- Inter-Bank transfers (allowing debit and credit referencing to be captured by the user)
- Capture Stop Payments
- Viewing and downloading of statements
- Collections system
- Cash management system
- Pay now options
- Stop payments and batches anytime within 24 hours of payments
- Detect and reconcile Surname, Initials and Account number
- Able to return rejected payments immediately
- Speed point system
- Accommodate Easypay payment system
- Real-time money handling machines
- Not able to amend batch information
- Reversal of unauthorised debit orders

### **2. EXECUTIVE SUMMARY**

The uMzinyathi Municipality wishes to appoint a registered bank to meet the banking needs of its operational activities, which include, inter alia: -

- 2.1 A user-friendly banking system
- 2.2 Competitive bank charges and commission
- 2.3 Immediate / timeous telephonic support
- 2.4 Speed point terminal services
- 2.5 Internet / electronic banking solutions
- 2.6 Defined overdraft facilities

The Bidder must ensure that this section is fully completed. Tick either "YES" or "NO". If the answer is "YES" then indicate the associated costs if applicable: -

NO.	PRODUCTS / SERVICES REQUIRED	YES	NO	UNIT COST (VAT INCL.)
	<b>MANAGEMENT OF CASH</b>			
01	Audit confirmation letters/ certificates			
02	Returned/ disputed debit order			
03	Dedicated support team			
04	Interest paid out at month-end			
	<b>SUB -TOTAL</b>			
	<b>REPORTING, AUDIT TRAILS AND QUERIES</b>			
05	Daily and monthly cash management reports and statements			
06	Downloading of electronic payments into file Format			
07	Deposit error corrections reported within 48 hours			
08	Delivery of statements			
	<b>SUB -TOTAL</b>			
	<b>ELECTRONIC BANKING SERVICES</b>			
09	Direct on-line balance enquiry			
10	Direct on-line cash management facility			
11	Direct on-line statement enquiry			
12	Direct on-line stop payment of cheques			
13	Direct on-line reversal of stop payment			
14	Direct on-line, real-time browsing facility			
15	Historic bank statements supplied electronically			
16	Facility to download bank statements into CCG system			
17	Audit trail of electronic transfers in/ deposits			
18	Direct on-line facility to capture bank transfers			

19	Electronic direct debit facility			
20	Online direct debit rejections			
21	Deposit identification facility			
	<b>SUB -TOTAL</b>			
	<b>ELECTRONIC FUNDS TRANSFER (EFT)</b>			
22	EFT payments to effect investments with financial institutions			
	<ul style="list-style-type: none"> <li>· Transfer to Bidder's Bank</li> <li>· Transfer to Agent bank</li> </ul>			
23	EFT facility to effect salary payments <ul style="list-style-type: none"> <li>· Transfer to Bidder's Bank</li> <li>· Transfer to Agent Bank</li> <li>· Recall of transfer</li> <li>· Late recalls</li> <li>· Return of unpaid items</li> <li>· Copies of payment reports</li> <li>· Transaction tracing</li> </ul>			
24	EFT recall stopping payment of salary payments			
25	EFT audit trail of all unpaid salaries			
26	EFT service to facilitate the creation of bulk payments or collections for importing and release			
27	Create payments on-line			
28	Release EFT payments for a future date			
29	Interim audit reports before action date			
30	Final audit report after payment is released			
31	Verification and validation of suppliers/ creditors, branch and account numbers <ul style="list-style-type: none"> <li>· Tenderer's bank</li> <li>· Agent bank</li> </ul>			
32	Segregation of duties for EFT payments			
33	Allow for multiple operators and password reset			
34	EFT Payments <ul style="list-style-type: none"> <li>· One day service</li> <li>· Same day service</li> </ul>			



35	A dedicated support team to maintain and service EFT requirements of the Municipality			
	<b>GENERAL</b>			
36	Business credit/ petrol/ toll card facility			
	<b>SUB -TOTAL</b>			
	<b>TOTAL UNIT COST</b>			

It is imperative that Bidders demonstrate their competence to provide the banking requirements of the Municipality.

The Scope of this tender, at this stage, only includes the uMzinyathi Municipality, operating within the municipal area of uMzinyathi. Should this change, the appointed Banker must be able to accommodate any changes to these conditions.

### 3. FINANCIAL INFORMATION

No.	Description	Information
1	<b>VAT Registration Number</b>	4420193536
2	<b>BUDGET 2024/2025 (Annual)</b>	
	Operating Budget	R698 248 496
	Capital Budget	R301 278 000
3	<b>STATISTICAL INFORMATION – 2023/2024 (Monthly)</b>	
3.1	<b>RECEIPTS</b>	
	Number of Deposits	17 477
	Value of Cash Deposits (Average)	R34 083 865
	Agencies – SAPO	R67 115
3.2	<b>PAYMENTS</b>	
	Number of EFT Batches	1143
	Number of EFT Transactions	3260
	Value of EFT Payments	R 999 526 496
	Value of Investments Purchased (Annual)	
3.3	<b>PAYROLL DETAILS (Monthly)</b>	
	Number of Employees + Councillors	642
	Number of EFT Batch Runs	4
	Number of EFT Transactions	642

	Value of EFT Payments	R 13 402 734
<b>3.4</b>	<b>NO. OF FOREIGN PAYMENTS</b>	0
<b>3.5</b>	<b>NO. OF USERS ACCESSING THE BANKING SYSTEM</b>	5

#### **4. SCHEDULE OF BANK ACCOUNTS**

The Municipality operates the following bank accounts:

<b>No</b>	<b>Name of Bank Account</b>
1.	Primary Bank Account
2.	General Call Accounts (8 accounts in different institutions)

**NB:** The above is subject to the opening of new accounts or the closure of existing accounts.

#### **5. BANKING PRODUCTS AND SERVICES**

The Bidder must provide the following products and services:

- 5.1 A user-friendly banking system
- 5.2 Competitive bank charges and commission
- 5.3 Immediate / timeous telephonic support
- 5.4 Internet / electronic banking solutions
- 5.5 Defined overdraft facilities
- 5.6 Electronic Payments (EFT)
- 5.7 Inter-Bank transfers (allowing debit and credit referencing to be captured by the user)
- 5.8 Capture Stop Payments
- 5.9 Viewing and downloading of statements
- 5.10 Collections system
- 5.11 Cash management system
- 5.12 Pay now options
- 5.13 Stop payments and batches anytime within 24 hours of payments
- 5.14 Detect and reconcile Surname, Initials and Account number
- 5.15 Able to return rejected payments immediately
- 5.16 Speed point system
- 5.17 Accommodate Easypay payment system
- 5.18 Real-time money handling machines
- 5.19 Not able to amend batch information
- 5.20 Reversal of unauthorised debit orders

## **6. OTHER SERVICES**

- 6.1 Audit Confirmation Letters / Certificate of Balance
- 6.2 Returned / disputed debit order.
- 6.3 A dedicated support team to maintain and service all banking queries
- 6.4 Petrol Card Facility that is linked to a specific vehicle (For 5 political office bearers only)

## **7. OVERDRAFT FACILITY / INTEREST RATES**

- 7.1 Daily aggregation of all debit and credit balances on all accounts and interest to be calculated on the net balance. Calculation of interest rate on debit and credit balances to be determined in relation to prime overdraft rate. If not prime, indicate benchmark used.
- 7.2 Overdraft facility to be negotiated as and when required. Calculation of interest rate on debit balances to be determined in relation to prime overdraft rate. If not prime, indicate benchmark used.
- 7.3 Overnight call facility. Calculation of overnight call facility interest rate to be determined in relation to prime overdraft rate. If not prime, indicate benchmark used.
- 7.4 Provide a common interest rate for Current account and Call accounts.
- 7.5 Interest to be paid out at the end of each month.

## **8. REPORTING, AUDIT TRAILS AND QUERIES**

- 8.1 Comprehensive daily and monthly cash management reports and statements.
- 8.2 Hard copies of historic information in respect of all bank related queries and indicate the available period (minimum 12 months).
- 8.3 A downloaded statement of electronic payments received through internet, saswitch, telephone banking, etc., into file format for electronic receipting into the Municipality's receipting system.
- 8.4 Deposit error corrections must be reported to the Municipality within 48 hours of the deposit inclusive of all supporting documentation.
- 8.5 An audit trail to be maintained of cheques deposited at the Bidder's bulk cash center.
- 8.6 Delivery of provisional statements, if required.

## **9. ELECTRONIC BANKING SERVICES**

- 9.1 Direct on-line balance enquiry.
- 9.2 Direct on-line cash management facility
- 9.3 Direct on-line statement enquiry.
- 9.4 Direct on-line stop payment facility.
- 9.5 Direct on-line reversal of stop payment.
- 9.6 On-line, real-time browsing facilities.
- 9.7 Electronic historic information in respect of all bank statements and indicate the available period (minimum 12 months).

9.8 Facility to download information on the bank statement into the Municipality's Phoenix system to facilitate bank reconciliations.

9.9 An audit trail of all electronic deposits and other deposits.

9.10 Direct on-line facility to enable transfer of funds electronically between the Municipality's suite of bank accounts. Allow for the debit and credit reference fields to be captured by the User.

9.11 An electronic direct debit facility to collect payments from the Municipality's consumers (bidder's bank and agent banks).

9.12 An electronic enquiry facility to access direct debit rejections with a reason / code explaining the rejection.

9.13 Any electronic Deposit identification facility where deposits received electronically are rejected if incorrect reference is submitted.

## **10. ELECTRONIC FUNDS TRANSFER (EFT)**

10.1 EFT via the bank to effect Investments with financial institutions.

10.2 EFT facility to effect salary payments.

10.3 EFT recall stopping payment of salaries.

10.4 EFT audit trail of all unpaid salaries.

10.5 EFT service which facilitates the creation of bulk payments or collections that are captured off-line in the Municipality's systems (i.e. CCG) and transferred into the banking system for release.

10.6 Ability to create payments on-line.

10.7 A single debit entry on the bank statement for multiple-creditor payments and a single credit entry on the bank statement for multiple-debtor receipts.

10.8 Ability for payments to be released for a future date (up to 60 days in advance).

10.9 Interim audit reports before action date.

10.10 Final audit reports after payment is released.

10.11 Verification and validation of suppliers / creditors and employees branch and account numbers.  
Bidder's bank Agent bank

10.12 Segregation of Duties that allow for the following: -

- Capture of Information/ Create Payments
- Locking / verification of transaction / payment batch.
- Release of transaction / payment batch

10.13 Allow for multiple operators / users

Each operator must have their own user identification and password

10.14 The following options on EFT (include cut-off times): -

- One day-date service
- Same day service
- Salaries service options

10.15 The Bidder's software must be loaded into the Municipality's desktop PCs with minimal changes to hardware.

10.16 The electronic funds transfer service must operate in a secure environment and information transmitted must be encrypted.

10.17 Host-to-Host' facility which is an automated delivery system creating a link for two-way data transfer.

10.18 A dedicated support team to maintain and service the EFT requirements of the Municipality.

10.19 Back up computer facilities:

- Should the Municipality's systems fail, or
- Failure of the Bidder's computer systems.

10.20 SMS and E-mail notification (optional)

## **11. ELECTRONIC FOREIGN PAYMENTS**

11.1 Facility to process foreign payments electronically.

## **12 GENERAL**

12.1 Issuing of guarantees.

12.2 Letters of credit / forward cover.

12.3 Business credit / petrol / toll card facility.

12.4 Customer credit reference.

12.5 Economic advice / forecasting.

12.6 Custodial services.

## **13. ADDITIONAL INFORMATION ON BANKING PRODUCTS AND SERVICES**

The Bidder must provide the following additional information / services:

### **13.1 Interest calculations and retro-entries**

13.1.1 The procedure to handle retro entries in terms of interest calculations.

13.1.2 The timeframes for transactions to be effected. e.g. intra-day, overnight or the next day. The Bidder should also provide information as to the type of transactions permitted as previous day value and which are not.

13.1.3 The management and recording of retro-entries. Cut-off times at the bank for electronic funds transfer (EFT).

### **13.2. Electronic banking services and technical equipment**

13.2.1 A technical specification to enable the Municipality to interface with the computer systems of the Bidder. The Bidder's timeframe and support systems in ensuring the implementation of the project must be stipulated.

13.2.2 The Communication Software that will be made available to link into the Bank's system.

13.2.3 Information on the connection protocol or service provider that the Bidder subscribes to.

13.2.4 Security assurance and confidentiality in connectivity between the Municipality and the Bidder.

13.2.5. A Service Level agreement to ensure that the Bidder will comply with the services / standards agreed which must be finalized within thirty (30) days of the awarding of the Tender.

### **13.3. Service Delivery**

13.3.1. The procedure to deliver bank statements.

13.3.2. Daily scrutiny of bank statements for erroneous debit entries, wrongly encoded cheques, incorrectly captured cheque numbers and the timeous rectification thereof.

13.3.3. The expenditure bank statement must be returned with all paid cheques sorted in sequential order.

13.3.4. The bidder's teller must scrutinize cheques being deposited for completeness, i.e. signatures and dates.

## **14. SPECIFIC REQUIREMENTS AND INFORMATION**

### **14.1 Service Contract**

The Bidder must enclose its standard client service contract, which will be customized to the Municipality's requirements should the Bidder be awarded the contract, and the contract must clearly outline the responsibilities of the bank.

The following must be specifically mentioned in the contract

#### **PAYMENT**

Bank charges shall be deducted by the successful bidder from the municipality's primary bank account and such charges shall be reflected by the bank in the month bank statement.

#### **PRICE**

Prices charged by the Bank for services performed under the contract shall not vary from the prices quoted by the Bank in his bid for the first twelve months of the contract.

#### **DURATION OF CONTRACT**

✚ The duration of this contract is for a period of five (5) years.

✚ The appointed Bank will be required to render banking services from 1 August 2025 TO 31 July 2030 to the uMzinyathi Municipality.

✚ The provisions of this contract and the Service Level Agreement become binding on the appointed Bank from the date of acceptance of a bid by the Municipality irrespective of the date of signature of said Service Level Agreement (SLA).

**The contract period will be five (5) years from date of implementation, 1 August 2025 to 31 July 2030.**

### **14.2 Safety/ security procedures and insurance**

14.2.1Furnish information of all insurance cover to safeguard the interests of the Municipality in the event of negligence on the part of the Bidder.

14.2.2The ability to investigate and recover losses arising from all fraudulent activities.

14.2.3Provide ongoing advice on fraud prevention and methods of detecting fraud i.e. e-Commerce, cheques, cash, etc.

14.2.4 Advice and facility to detect money laundering activities.

14.2.5 The Municipality requires protection against all forms of fraud relating to the receipt and payment of cash, and the processing of banking transactions. Such measures should include cheque verification, authorization of EFT's, password controls, bulk cash handling security, payment mandates, security of data, etc.

### **14.3 Implementation of Project**

The Bidder must demonstrate its ability to implement the banking services through accepted project management principles and demonstrate its capability to achieve the time frames as determined by the Municipality. The Bidder should detail its experience in implementing similar accounts of provincial / local governments and parastatals.

Additional costs associated with the implementation (including hardware and software costs) should be clearly indicated or identified, which the Bidder is of the view is for the account of the Municipality.

### **14.4 Training**

The Bidder must indicate: -

8.4.1 Training that will be furnished on site to use its electronic banking systems and any upgrades in the future.

8.4.2 Training which will be provided for any unfamiliar service or facility offered by the Bidder.

8.4.3 The ability and willingness to assist with the training of any future system developments.

## 5. FUNCTIONALITY

**Note: the bidder must achieve a minimum of 80 points on functionality to advance to the next stage of evaluation. 80/20-point system shall apply.**

The Table below reflects **evaluation functionality components** and the overall weighting on each component of the functionality are as follows:

Key aspect of criterion	Basis for points allocation	Max points	Verification Method
<b>Experience of the Bidder</b>	Five completed contracts in the last 10 years. Provision of service to a municipality (s)	<b>40</b>	Attach five appointment letters and corresponding positive references depicting un-interrupted provision of banking services to a municipality
	Three complete contracts in the last 10 years. Provision of service to a municipality (s)	<b>30</b>	Attach three appointment letters and corresponding positive references depicting un-interrupted provision of banking services to a municipality
	Two completed contracts in the last 10 years. Provision of service to a municipality (s)	<b>20</b>	Attach two appointment letters and corresponding positive references depicting un-interrupted provision of banking services to a municipality
<b>Registration in terms of Bank Act.1990 (Act No. 94 of 1990)</b>	Attached proof of registration	<b>30</b>	Attach originally certified Registration certificate
<b>Financial Services Provider registration</b>	Must be registered as a Financial Service Provider with Financial Services Board	<b>30</b>	Attach originally certified registration certificate with clear FSP No.
<b>TOTAL</b>	<b>Max Points</b>	<b>100</b>	



### 3. EVALUATION OF TENDER

#### **Compulsory Returnable Documentation**

Compulsory documents to be submitted:

- MBD 1: Invitation to Tender (must be completed and signed)
- Printed copy of a tax pin for further verification or will alternatively make use of CSD
- MBD 4: Declaration of Interest
- MBD 6.1: Preferential Points system
- MBD 8: Declaration of past Supply Chain Management Practice
- MBD 9: Certificate of Independent Bid
- Proof of company registration
- Certified copies of owner's identity document (Not older than six months),
- Company Municipal rates, electricity or water account not older than 3 Months, **proof of lease** or rental or sworn affidavit if the business operates at a place of residence

#### **VERY IMPORTANT:**

**IF ANY OF THE ABOVEMENTIONED DOCUMENTS ARE NOT SUBMITTED OR COMPLETED IN THEIR ENTIRETY, THE BIDDER WILL BE DEEMED TO BE NON-RESPONSIVE.**

#### **Preference Point System 80/20**

<b>No.</b>	<b>DESCRIPTION</b>	<b>POINTS</b>
1	Price	80
2	Specific Goal	20
	<b>TOTAL</b>	<b>100</b>

## INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE UMZINYATHI DISTRICT MUNICIPALITY

BID NUMBER:	<b>T2025-09</b>	CLOSING DATE:	<b>09 July 2025</b>	CLOSING TIME:	<b>12:00</b>
DESCRIPTION	<b>T2025-09 PROVISION OF BANKING SERVICES FOR UMZINYATHI DISTRICT MUNICIPALITY FOR A PERIOD OF FIVE (5) YEARS</b>				
<b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).</b>					

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

39 VICTORIA STREET  
DUNDEE 3000

## SUPPLIER INFORMATION

NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:	
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3 ]
TOTAL NUMBER OF ITEMS OFFERED			TOTAL BID PRICE		R
SIGNATURE OF BIDDER	.....		DATE		
CAPACITY UNDER WHICH THIS BID IS SIGNED					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:			TECHNICAL INFORMATION MAY BE DIRECTED TO:		
DEPARTMENT	SCM UNIT		CONTACT PERSON	Mr. CB Myeni	
CONTACT PERSON	SCM UNIT		TELEPHONE NUMBER	034 219 1500	
TELEPHONE NUMBER	0342191500/1549		FACSIMILE NUMBER	034 218 1500	
FACSIMILE NUMBER	0342181940		E-MAIL ADDRESS	myenib@umzinyathi.gov.za	
E-MAIL ADDRESS	dumakudem@umzinyathi.gov.za				

**PART B****TERMS AND CONDITIONS FOR BIDDING****1. BID SUBMISSION:**

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE**
- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.

**2. TAX COMPLIANCE REQUIREMENTS**

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) 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 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TC PIN / CSD NUMBER.
- 2.6 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.

**3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS**

- 3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?  
YES NO ☐ ☐
- 3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?  
YES NO ☐ ☐
- 3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?  
YES NO ☐ ☐
- 3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?  
YES NO ☐ ☐
- 3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?  
YES NO ☐ ☐

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

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

SIGNATURE OF BIDDER:

.....

CAPACITY UNDER WHICH THIS BID IS SIGNED:

.....

DATE: .....

**MDB4**

## **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 positioning 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 or any Directors/trustees/shareholders/ members presently in the service of the state? **YES / NO**

3.8.1 If yes, furnish particulars.....

.....

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

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

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

3.9 Have you been in the service of the state for the past twelve months?

.....

**YES / NO**

3.9.1 If yes, furnish particulars.....

.....

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

**YES / NO**

3.10.1 If yes, furnish particulars.

.....

.....

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

3.11.1 If yes, furnish particulars

.....

.....

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

3.12.1 If yes, furnish particulars.

.....

.....

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

3.13.1 If yes, furnish particulars.

.....

.....

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

3.14.1 If yes, furnish particulars:

.....

.....

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

Full Name	Identity Number	Are you employed by National/ Provincial/ Local Government? YES/NO	If YES, please give details

5. I duly confirm that the above information is correct until otherwise advised in writing AND the company undertakes to immediately, in writing on same day of appointment, advise the Municipality immediately if any of its directors/trustees/ members/shareholders assumes appointment as an employee in national, provincial and/or local government AND the company will deregister from the Municipality Supplier Database and cease forthwith from doing business with the Municipality AND the company shall be subject to a penalty of forfeiting all payments for services rendered or products delivered or installed if it fails to immediately disclose in writing the employment of any of its directors/trustees/ members/shareholders in national, provincial and/or local government.

.....  
**Signature**

.....  
**Date**

.....  
**Capacity**

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

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

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

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

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

**\*YES / NO**

2 Do you have any outstanding undisputed commitments for municipal services towards any municipality for more than three months or any other service provider in respect of which payment is overdue for more than 30 days?

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

2.2 If yes, provide particulars.

\* Delete if not applicable

**\*YES / NO**

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

such contract?

3.1 If yes, furnish particulars

.....  
 .....

**\*YES / NO**

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

**\*YES / NO**

4.1 If yes, furnish particulars

.....  
 .....

#### **CERTIFICATION**

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

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

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

.....  
 Signature

.....  
 Date



## MBD 6.1

### 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**

*(delete whichever is not applicable for this tender)*

a) The applicable preference point system for this tender is the **80/20** preference point 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
PRICE	80
SPECIFIC GOALS	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:

**80/20**

$$Ps = 80 \left( 1 - \frac{Pt - Pmin}{Pmin} \right) \text{ or}$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = 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:

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

Where

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

$P_t$  = Price of tender under consideration

$P_{max}$  = Price of highest acceptable tender

#### 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 goal allocated points in terms of the tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points claims (80/20 system) (To be completed by the tenderer)	Number of points claims (90/10 system) (To be completed by the tenderer)	Verification documents
Ownership: HDI1`s	10	05			Proof of Registration <ul style="list-style-type: none"> <li>documents</li> <li>Detailed CSD</li> </ul> Certified copy of RSA identity documents for the director(s) (not older than 6 months).
Woman Ownership: (Minimum of 5%)	10	05			Proof of Registration <ul style="list-style-type: none"> <li>documents</li> <li>Detailed CSD</li> </ul> Certified copy of RSA identity documents for the director(s) (not older than 6 months).

#### 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 favourable 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.

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

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

**DATE:** .....

**ADDRESS:** .....

.....

.....  
**4. SUB-CONTRACTING**

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

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

- 4.1.1 If yes, indicate:
- i) What percentage of the contract will be subcontracted.....%
- ii) The name of the sub-contractor..... iii) The B-BBEE status level of the subcontractor.....
- iv) Whether the sub-contractor is an EME or QSE (***Tick applicable box***)
- |     |  |    |  |
|-----|--|----|--|
| YES |  | NO |  |
|-----|--|----|--|
- v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations, 2022:

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

5. *DECLARATION WITH REGARD TO COMPANY/FIRM*

- 5.1 Name of company/firm:.....
- 5.2 VAT registration number:.....
- 5.3 Company registration number:.....
- 5.4 TYPE OF COMPANY/ FIRM
- ☐ Partnership/Joint Venture / Consortium
- ☐ One person business/sole propriety
- ☐ Close corporation
- ☐ Company
- ☐ (Pty) Limited
- [TICK APPLICABLE BOX]
- 5.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES
- .....
- .....
- .....COMPANY CLASSIFICATION
- ☐ Manufacturer
- ☐ Supplier
- ☐ Professional service provider
- ☐ Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

## 5.6 MUNICIPAL INFORMATION

**Municipality where business is situated:** .....

**Registered account number:** .....

Stand Number: .....

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

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

- v) The information furnished is true and correct; vi) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- vii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- viii) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –

- (f) disqualify the person from the bidding process;
- (g) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
- (h) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
- (i) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (j) forward the matter for criminal prosecution

### WITNESSES

1. ....

2. ....

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

DATE: .....

ADDRESS .....

.....

.....

## MBD: 7.1

### CONTRACT FORM- PURCHASE OF GOODS/WORKS

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

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

1. I hereby undertake to supply all or any of the goods and/or works described in the attached bidding documents to (name of institution)..... in accordance with the requirements and specifications stipulated in bid number..... at the price/s quoted. My offer/s remains binding upon me and open for acceptance by the purchaser during the validity period indicated and calculated from the closing time of bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
  - (i) Bidding documents, viz
    - Invitation to bid;
    - Tax clearance certificate;
    - Pricing schedule(s);
    - Technical Specification(s);
    - Preference claims for Specific Goals Status Level in terms of the Preferential Procurement Regulations 2022;
    - Declaration of interest;
    - Declaration of bidder's past SCM practices;
    - Certificate of Independent Bid Determination;
    - Special Conditions of Contract;
  - (ii) General Conditions of Contract; and
  - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the goods and/or works specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfilment of this contract.
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.



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

NAME (PRINT) .....

CAPACITY .....

SIGNATURE .....

NAME OF FIRM .....

**WITNESSES**

1 .....

2. ....

DATE: .....

**MBD: 7.1**

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

**PART 2 (TO BE FILLED IN BY THE PURCHASER)**

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

ITEM NO.	PRICE (ALL APPLICABLE TAXES INCLUDED)	BRAND	DELIVERY PERIOD	SPECIFIC GOALS STATUS LEVEL OF CONTRIBUTION	MINIMUM THRESHOLD FOR SPECIFIC GOAL (if applicable)

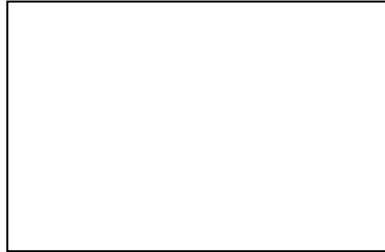
4. I confirm that I am duly authorized to sign this contract.

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

NAME (PRINT) .....

SIGNATURE .....

OFFICIAL



STAMP WITNESSES

1.....

2.....

DATE

.....

--

## MBD 8

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

- 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
  - b.
  - c. in relation to such system;
  - d. been convicted for fraud or corruption during the past five years;
  - e. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
  - f. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

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

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

#### CERTIFICATION

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

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

.....  
**Signature**

.....  
**Date**

.....  
**Position**

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

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

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

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

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder