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**TENDER NO:26/2025**

**GENERAL CONDITIONS, SPECIFICATIONS & TENDER DOCUMENT FOR CREDIT CONTROL SERVICES AND REVENUE MANAGEMENT FOR LESEDI LOCAL MUNICIPALITY FOR A PERIOD OF THREE (3) YEARS.**

**NAME OF TENDERER:**

**CENTRAL SUPPLIER DATABASE (CSD)** \_\_\_\_\_ **MAAA**

**TAX COMPLIANCE STATUS (TCS) PIN NO:**

**TELEPHONE No:**

**TELEFAX No:**

**E-MAIL ADDRESS:**

**ADDRESS:**

**Issued by:**  
Municipal Manager  
Lesedi Local Municipality  
P O Box 201  
**HEIDELBERG**  
1438

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**PART A  
INVITATION TO BID**

<b>YOU ARE HEREBY INVITED TO TENDER FOR REQUIREMENTS OF LESEDI LOCAL MUNICIPALITY</b>					
TENDER NUMBER:	26/2025	CLOSING DATE:	28 OCTOBER 2025	CLOSING TIME:	12H00
DESCRIPTION	CREDIT CONTROL SERVICES AND REVENUE MANAGEMENT FOR LESEDI LOCAL MUNICIPALITY FOR A PERIOD OF THREE (3) YEARS.				
<b>THE SUCCESSFUL TENDERER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).</b>					

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

Supply Chain Management Unit					
Lesedi Local Municipal Building					
Corner HF Verwoerd and Du Preez Street					
Heidelberg					
1438					
<b>SUPPLIER INFORMATION</b>					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		<b>OR</b>	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes  <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		<input type="checkbox"/> Yes  <input type="checkbox"/> No
<b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b>					

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3]
TOTAL ITEMS OFFERED COMPLY WITH SPECIFICATIONS	<input type="checkbox"/> Yes <input type="checkbox"/> No	TOTAL BID PRICE ( <i>As per the price schedule</i> )	R
SIGNATURE OF BIDDER	.....	DATE	
CAPACITY UNDER WHICH THIS BID IS SIGNED			
<b>QUERIES MAY BE DIRECTED DURING OFFICE HOURS: MON – FRI BETWEEN 07:30 TO 16H00 TO</b>			
<b>FOR BIDDING PROCEDURE</b>		<b>FOR TECHNICAL INFORMATION</b>	
CONTACT PERSON	SIBULELO MOKOENA	CONTACT PERSON	Mrs Sindi Boyi
TELEPHONE NUMBER	016 466 1947	TELEPHONE NUMBER	016 466 2040
E-MAIL ADDRESS	sibulelom@lesedi.gov.za	E-MAIL ADDRESS	sindiz@lesedi.gov.za



## PART B TERMS AND CONDITIONS FOR BIDDING

<b>BID SUBMISSION:</b>
<p>BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p> <p><b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED– (NOT TO BE RE-TYPED)</b></p> <p>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.</p>
<b>TAX COMPLIANCE REQUIREMENTS</b>
<p>BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>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.</p> <p>APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE <a href="http://WWW.SARS.GOV.ZA">WWW.SARS.GOV.ZA</a>.</p> <p>FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.</p> <p>BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.</p> <p>IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.</p> <p>WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.</p>
<b>QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>
<p>IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA) <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>DOES THE ENTITY HAVE A BRANCH IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p><b>IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.</b></p>

**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: .....



ADVERTISED IN: SOWETAN  
PUBLISHING DATE: 25 SEPTEMBER 2025  
TENDER NO: 26/2025

Tenders are hereby invited for the following Office: Finance.

**TENDER NO:26/2025**

**CREDIT CONTROL SERVICES AND REVENUE MANAGEMENT FOR LESEDI LOCAL MUNICIPALITY FOR A PERIOD OF THREE (3) YEARS.**

**Adjudication:**

Tenders will be evaluated using functionality evaluation criteria of **100 points** of which the bidder is required to score the minimum of **80 points** in order to be considered for further evaluation. Tenders will be evaluated using the 80/20 preference point system which awards **80 points for Price** and **20 points for Specific Goals** in accordance with the table below:

SPECIFIC GOALS (20 POINTS)				
HDI (% Shareholding) (proof of points claimed required)	Youth	Woman	Disabled	Black
	3	5	2	5
Area of Origin (proof of Street address required)	Sedibeng (DISTRICT)		Gauteng (PROVINCE)	
	3		2	
PRICE	80			
TOTAL POINTS	100			

**Documents Collection:** Documents can be downloaded from the Lesedi Local Municipality's Website or from the Etender portal.

Technical Enquiries: Mrs Sindi Boyi  
Tender Documents: Mrs. Sibulelo Mokoena

Tel: (016) 466 2040  
Tel: (016) 466 1947

**Documents available:** As from 30 September 2025 on <https://lesedi-lm.gauteng.gov.za> or [www.etenders.gov.za](http://www.etenders.gov.za).

**Closing date 28 October 2025**

**Time: 12:00**

**Tender Box**

Venue: Tender boxes are situated at the Supply Chain Management Unit, situated on the upper level of the West Wing of the Lesedi Local Municipality Civic Centre, Corner Du Preez and HF Verwoerd Streets in Heidelberg.

**COMPULSORY TENDER DOCUMENTS:**

1. Tax Clearance Certificate / Tax Compliance Status documents with Pin. Each company within the Joint Venture / Consortium must submit Tax Clearance Certificate or a copy of Tax Compliance Status document with Pin and VAT certificate if applicable.
2. Certified copies of all directors ID.
3. Copy of company registration documents.
4. Copy of latest municipal account (Rates, Taxes and Services Account) which is not more than 3 months old at the time of closing.
5. The bidding entity as well as all its directors must submit a Municipal account (Rates, Taxes and Services Account) which is not more than three (3) months in arrears or valid lease agreement which is on the name of the entity.
  - If the director is leasing, they must also provide a valid lease agreement on their names.
  - 5.1 If the business operates from the different address as per CIPC document, an affidavit must be provided.
6. Central Supplier Database (CSD) registration full report.
7. Completed and Signed Schedule of Quantities. Where an item is not going to be charged 0.00 must be inserted not a dash (-) (**pricing to be completed as per the schedule of quantities in the tender document**)
8. Authority of Signatory must be completed and signed in case of a business not sole proprietor or one-person business or board of director's resolution authorizing signature to sign off the bid documents.
9. MBD 1: Invitation to tender.
10. MBD 4. Declaration of Interest.
11. MDB 5. Declaration of procurement above R10 million (vat included)
12. Audited annual financial statements for the past three years or since the date of establishment if established during the past three years for bids above R10 million.
13. MBD 6.1 Preferential Points.
14. MBD 8: Declaration of bidder's past supply chain management practices.
15. MBD 9: Certificate of independent bid determination.
16. Bidders must sign or initial each page.
17. Bid Documents must be completed in full.
18. Tenderers must submit the relevant copy of Workmen's Compensation Registration Certificate, COIDA Certificate- Credit control, meter reading or Utility management services.
19. Use of handheld devices for the purpose of credit control processes is compulsory. Proof of ownership in the form of asset register, serial numbers and a picture of a device.
20. Proof of Professional Indemnity Insurance (R5million and above)

## **BIDDING TENDER CONDITIONS:**

1. All suppliers of good & services are urged to register in the National Treasury web based Central Suppliers Database with Effect from 1 July 2016 @ [www.csd.gov.za](http://www.csd.gov.za).
2. As per National Treasury Instruction No.4 A of 2016/2017 National Treasury Supplier Database, organs of state must ensure that suppliers awarded business with the State, excluding instances mentioned in paragraph 3.3, are registered on the CSD prior to award letter/purchase order/signed contract being issued.
3. Tenders by joint ventures are to be accompanied by the Document Formation of the joint venture, duly registered and authenticated by a Notary Public or other official deputized to witness sworn statements. This document must define precisely the conditions under which the joint venture will function, the period for which it will function, the persons authorized to represent and obligate it, the address for correspondence, the participation of several firms forming the joint venture and any information necessary to permit a full appraisal of its functioning, including a clause to the effect that the members of the joint venture are jointly and severely bound.
4. No late tender will be accepted.
5. Telefax or e-mail tenders will not be accepted.
6. Tenders may only be submitted on the bid documents as provided by Lesedi Local Municipality.
7. The use of tippex is not allowed on the bid documents. Bids completed in pencil will be regarded as invalid bids.
8. Bidders must sign or initial each page.
9. No page(s) may be removed from the original tender document
10. Requirements for sealing, addressing, delivery, opening and assessment of tenders are stated in the tender document;
11. In the event of a mistake having been made it shall be crossed out in ink and be accompanied by a full signature of the authorized person at each and every alteration.
12. The Municipality reserves the right to reject the Bid if corrections are not made in accordance with the above.
13. The lowest or any tender will not necessarily be accepted, and Lesedi Local Municipality reserves the right to accept a tender in whole or in part.
14. The validity period for this tender is ninety (90) days.
15. The Municipality reserve the right to negotiate a fair market related price with recommended bidders after a competitive bidding process or price quotations
16. The Municipality reserves the right to appoint and not to appoint.

17. All tender prices must be inclusive of VAT for all registered VAT vendors. The bid will be evaluated on an 80/20 principle where 80 points will be price and 20 points for Specific goals.

18. Tender documents may be downloaded from e-tender portal at [www.etenders.gov.za](http://www.etenders.gov.za) as well as <https://lesedi-lm.gauteng.gov.za>.

**NB\* NO TENDER DOCUMENTS ON USB WILL BE CONSIDERED FOR EVALUATION.**



## **TAX CLEARANCE CERTIFICATE REQUIREMENTS**

**MBD 2**

**IT IS A CONDITION OF A BID THAT THE TAXES OF THE SUCCESSFUL BIDDER MUST BE IN ORDER, OR THAT SATISFACTORY ARRANGEMENTS HAVE BEEN MADE WITH SOUTH AFRICAN REVENUE SERVICE (SARS) TO MEET THE BIDDER'S TAX OBLIGATIONS.**

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



## MBD 4

### DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state<sup>1</sup>.

2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.

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

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

3.2 Identity Number: .....

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

3.4 Company Registration Number: .....

3.5 Tax Reference Number: .....

3.6 VAT Registration Number: .....

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

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

3.8.1 If yes, furnish particulars. ....

<sup>1</sup>MSCM Regulations: "in the service of the state" means to be – a member of – any municipal council; any provincial legislature; or the national Assembly or the national Council of provinces.

a member of the board of directors of any municipal entity.

an official of any municipality or municipal entity.

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); a member of the accounting authority of any national or provincial public entity; or 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, principal shareholder 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, principal shareholders or stakeholders in service of the state? **YES / NO**

3.13.1 If yes, furnish particulars. ....

.....

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

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

.....

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

Full Name	Identity Number	State Employee Number

.....  
**Signature**

.....  
**Date**

.....  
**Capacity**

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



**MBD 5**

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

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

1 Are you by law required to prepare annual financial statements for auditing? **YES/NO**

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

.....  
.....

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

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

2.2 If yes, provide particulars.

.....

3 Has any contract been awarded to you by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract? **YES/NO**

3.1 If yes, furnish particulars

.....  
.....

4. Will any portion of goods or services sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality / municipal entity is expected to be transferred out of the Republic? **YES / NO**

- 4.1 If yes, furnish particulars

.....

.....

**CERTIFICATION**

**I, THE UNDERSIGNED (NAME)**

.....

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

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

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder



## MBD 6.1

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

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

**NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF SPECIFIC GOALS, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022.**

#### 1. GENERAL CONDITIONS

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

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

#### 1.2 To be completed by the organ of state

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
TOTAL POINTS FOR PRICE AND SPECIFIC GOALS	100

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	or	90/10
$Ps = 80 \left( 1 - \frac{Pt - P_{min}}{P_{min}} \right)$	or	$Ps = 90 \left( 1 - \frac{Pt - P_{min}}{P_{min}} \right)$

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:

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

Where

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

#### 4. POINTS AWARDED FOR SPECIFIC GOALS

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

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Youth		3		
Woman		5		
Disabled		2		
Black		5		
Sedibeng (District)		3		
Gauteng (Province)		2		
		20		

#### 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:** .....

.....

.....



### **AUTHORITY FOR SIGNATORY(COMPULSORY)**

Please note that the sole proprietors or “one-person business” are not required to submit an official and duly signed authority of signatory.

Signatories for close corporations and companies shall confirm their authority by signing on behalf of the company/firm **by attaching to this page** a duly signed and dated copy of the relevant resolution of their members or their board of directors, as the case may be.

**An example for a company is shown below:**

Printed on company letterhead:

“By resolution of the board of directors passed on \_\_\_\_\_ 20\_\_\_\_\_

Mr. \_\_\_\_\_

has been duly authorized to sign all documents in connection with the bid for

Tender \_\_\_\_\_ No \_\_\_\_\_ and any

Contract, which may arise there from on behalf of

\_\_\_\_\_  
SIGNED ON BEHALF OF THE COMPANY \_\_\_\_\_

IN HIS CAPACITY AS \_\_\_\_\_

DATE: \_\_\_\_\_

SIGNATURE OF SIGNATORY: \_\_\_\_\_

AS WITNESSES: 1 \_\_\_\_\_

2 \_\_\_\_\_

1. 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 Specific goals in the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- (i) The information furnished is true and correct;
- (ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form.
- (iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 7, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- (iv) If the Specific Goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
  - (a) disqualify the person from the bidding process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered

as a result of having to make less favourable arrangements due to such cancellation; restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the audi alteram partem (hear the other side) rule has been applied; and

forward the matter for criminal prosecution

WITNESSES

1. ....

2. ....

.....

SIGNATURE(S) OF BIDDERS(S)

DATE: .....



MBD8

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

1.This Municipal Bidding Document must form part of all bids invited.

2.It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.

3.The bid of any bidder may be rejected if that bidder, or any of its directors have:

abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;

been convicted for fraud or corruption during the past five years;

willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or

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.**

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

4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? <b>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>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

## CERTIFICATION

I, THE UNDERSIGNED (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

.....  
Name of Bidder

.....  
Position



## MBD 9

### CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all bids<sup>1</sup> invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).<sup>2</sup> Collusive bidding is a *per 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.

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. 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)

I have read and I understand the contents of this Certificate;

I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;

I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;

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;

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
- (c) or experience; and
- (d) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

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.

In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding: prices; 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.

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.

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.**

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

.....  
Signature

.....  
Date

.....  
Name of Bidder

.....  
Position



---

## GENERAL CONDITIONS OF CONTRACT

### THE NATIONAL TREASURY

Republic of South Africa



NATIONAL TREASURY: Republic of South Africa

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# **GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT**

July 2010

## **THE NATIONAL TREASURY: REPUBLIC OF SOUTH AFRICA**

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## **General Conditions of Contract**

### **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.

"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 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 that functional services ancillary to the Supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.

1.25 “Supplier” means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State. 1.26 “Tort” means in breach of contract.

1.27 “Turnkey” means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product service required by the contract.

1.28 “Written” or “in writing” means hand-written in ink or any form of electronic or mechanical writing.

## **2. Application**

2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services (excluding professional services related to the building and construction industry), sales, hiring,

letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

2.2 Where applicable, special conditions of contract are also laid down to cover specific 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 non-refundable fee for documents may be charged.

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

### **4. Standards**

4.1 The goods supplied shall conform to the standards mentioned 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 / municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality / municipal entity.

## **7. Performance security**

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

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

7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

(a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or (b) a 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 analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods shall be held at the cost and risk of the supplier

who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with goods, which do comply with the requirements of the contract. Failing such removal, the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving 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 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 fulfilment of other obligations stipulated in the contract.

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

16.4 Payment will be made in Rand unless otherwise stipulated.

## **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 contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

## **21. Delays in the 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**

2.1 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:

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 antidumping 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 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 **restrictive practices** 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) concern

### **TENDERS TO BE EVALUATED ON FUNCTIONALITY**

36.(1) An organ of state must state in the tender documents if the tender will be evaluated on functionality.

(2) The evaluation criteria for measuring functionality must be objective.

(3) The tender documents must specify-

(a) the evaluation criteria for measuring functionality; the points for each criteria and, if any, each sub-criterion; and the minimum qualifying score for functionality.

(4) The minimum qualifying score for functionality for a tender to be considered further-

- must be determined separately for each tender.

- and may not be so- low that it may jeopardise the quality of the required goods or services; or high that it is unreasonably restrictive.
- (5) Points scored for functionality must be rounded off to the nearest two decimal places.
  - (6) A tender that fails to obtain the minimum qualifying score for functionality as indicated in the tender documents is not an acceptable tender.
  - (7) Each tender that obtained the minimum qualifying score for functionality must be evaluated further in terms of price and the preference point system and any objective criteria envisaged in regulation 11.



<b>GENERAL CONDITIONS, SPECIFICATIONS &amp; TENDER DOCUMENT FOR CREDIT CONTROL SERVICES AND REVENUE MANAGEMENT FOR LESEDI LOCAL MUNICIPALITY FOR A PERIOD OF THREE (3) YEARS.</b>
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### **1. CONTRACT PRICE ADJUSTMENT**

Should no price adjustment or variation clauses be included in the tender documents, the prices tendered will be considered as being firm and the Council will not under any circumstances, accept, for its account, any increase in the prices tendered during the duration of the contract.

### **2. CESSION OR ASSIGNMENT**

Neither the Council nor the tenderer shall cede or assign a contract for the delivery of goods or the rendering of services or any part thereof or any benefit or interest therein or there under to third parties without the written consent of the other being first had and obtained.

### **3. PRICE**

Prices quoted must include VAT if the Bidder is VAT registered.

## **TERMS OF REFERENCE**

### **TENDER DESCRIPTION: CREDIT CONTROL SERVICES AND REVENUE MANAGEMENT FOR LESEDI LOCAL MUNICIPALITY FOR A PERIOD OF THREE (03) YEARS**

#### **1. STRATEGIC OBJECTIVES OF THE PROJECT**

The strategic objectives of this project are to introduce systems and manage all processes and procedures supported by customized software for:

- 1.1. The operational management of credit control processes (all accounts included), procedures and field actions as well as the appointment, management and performance of the field action technicians
- 1.2. Technical Services to assist the municipality to rectify Infrastructure and Non-Infrastructure related anomalies that will improve billing and the collection of arrears. This includes provision of additional capacity & procurement to the municipality for the maintenance and repair of metered services installations (water & electricity) (pre-paid and conventional), to the specification of the relevant municipal departments.
- 1.3. Assistance with billing by sending out account balances as well as reminders of the due date, pending credit control actions, etc. (SMS).
- 1.4. The operational management of the Debt Collection process and related actions on all accounts
- 1.5. Render Professional Services to assist with the following:
  - 2.6.1 Debt book analysis in terms of collectability
  - 2.6.2 Arrears Collection Strategy and relevant by-laws
  - 2.6.3 Administration capacity enhancement
  - 2.6.4 Integration of processes information.
  - 2.6.5 Pre-Collection Processes
- 2.7 Data assessment and financial profiling to enhance revenue by implementing the following:
  - 2.7.1 Affordability studies to determine collectability of arrears versus cost to collect
  - 2.7.2 Data enrichment of the debtor's personal information
  - 2.7.3 Customer data base management
  - 2.7.4 Assurance of an all-inclusive tax base via stand data verification processes
- 1.6. Develop a communication and capacity building programme to assist the Municipality with the revenue enhancement and revenue protection program
- 1.7. Reduce tampering of service installations by the installation and maintenance of water securing devices & secure electrical enclosures.

## 2. **SCOPE OF WORK**

The scope of work will cover the following main items, but may not be limited to these items:

### 2.1. Operational management of credit control processes, procedures and field actions

2.1.1. The Service Provider should have all the resources and materials including, but not limited to discharge or execute the Credit Control Functions.

- a) Sending SMS notifications for account balances and credit control related actions
- b) The Delivery of Final Notices for accounts in arrears (all account types)
- c) Setting up an off-site operating office for the management of all credit control interventions.
- d) Implementing a management system to enforce policies and to manage resources and different levels of work allocations effectively and efficiently.
- e) Maintaining the relevant databases required for all actions to ensure data integrity.
- f) Execute credit control actions according to the approved technical specifications, with the use of handheld devices for all actions which may include among others the following.
  - Delivery of Final Demand Notices with photographic and GPS coordinates
  - Electricity Disconnection Level 2: The circuit breaker is removed, properly tagged and securely stored for when reconnection is required.
  - Remove installation permanently: This action requires for the removal of the electricity supply cable.
  - Water Restriction: An instruction to restrict the water to a residential consumer with a flow-restricting device.
  - Water closure: An instruction to close the water supply to a business and install a securing device.
  - Delivering Final Notices & Illegal Consumption Inspections (ICI's), using Handheld Devices with photographic evidence. Information must be kept and uploaded electronically. If found tampered, a follow up credit control action should be scheduled automatically.
- g) Setting up direct communication links between the operating office system and the Municipality's financial debtor system.
- h) Training, instructing and managing technicians for credit control related tasks.
- i) Managing daily schedule of work.
- j) Monitoring field operations.
- k) Compliance with Service Level Agreements.
- l) Quality Control (administrative, technical, inspecting, testing, field action inspections)
- m) Daily real time recording and capturing of field information.
- n) Establish and operate a project store for water restrictions, water fitments, electrical wires, cables, circuit breakers, job cards, etc., especially for audit purposes.
- o) Coordinate progress meetings at different levels.
- p) Reporting on agreed intervals.
- q) Executing ad-hoc service delivery related tasks, including functions in terms of Agreements on the Service delivery Process
- r) The management of unsuccessful actions where credit control actions could not be performed by technically rectifying and marking the identified services installations.

- s) Implement OHS-Act accommodative best practices.
  - t) Management of the By-Laws enforcement process, if applicable.
  - u) Management of consumption monitoring process on prepaid meter installations to address exceptions where meters are illegally tampered, and consumption indicated as exceptions by a predetermined ratio
  - v) Management of Final Readings and New Service Agreements in the following manner:
    - Termination of the electricity supply
    - Take water readings
    - Attach service termination notice
    - Reconnection of services
- 2.2. Use a software system compatible to the Municipality's debtor system to send monthly billing statements balances electronically by SMS to consumers and reminders of the due date. See Required Functionality of the Software system
- 2.3. Data Assessment and Financial Profiling
- 2.3.1 Debtor Profiling
- Provide a system whereby the Municipality can determine the risk to pay for services rendered and implement measures such as the installation of pre-paid water and/or electricity meters
- 2.3.2 Data Cleansing
- Provide a system which can assist the Municipality to verify complete, accurate and correct data on the billing system by comparing the data electronically from sources such as Credit Bureau's, deceased data base, CIPRO etc.
- 2.3.2 Demographic Economic Analysis
- Provide a research program able to create dashboard information to assist the Municipality to address certain challenges such as high debt areas, unaccounted billing and service areas and an indigent analysis per ward.
- 2.3.3 Customer Data Base Management
- After data cleansing the data base should be managed and maintained by verifying all accounts on a monthly, quarterly, bi-annually or annually basis to check for change such as deceased, status of the company or cell phone numbers.
- 2.4. Render a Professional Service on an ad hoc basis on the following
- a) Debt book in terms of collectability and suggested write offs
  - b) Arrears Collection strategy and relevant by-laws
  - c) Implementation of Credit Control and Debt Collection Policies
  - d) Pre-collection processes

## Data Enrichment and Financial Profiling

### 2.5. Collectability Study

Provide an online system whereby the Municipality can determine the risk to pay for services rendered and implement measures such as the installation of pre-paid water meters. It is also used to determine collectability of arrears versus cost to collect.

### 2.6. Data enrichment of the debtor's personal information

This process entails the process of extracting detail from the Debtor's Management System and uses the **validated** ID Number to obtain the following:

- Recent Contact Numbers – Home/work and cell phone number
- Addresses – postal and physical (*not necessarily the same physical address as stated in the FMS of the Municipality*)
- Mortality status
- Possible Indigent
- Liquidated/Insolvent debtor's

### 2.7. Continuous Customer Data Base Management

After data enrichment the data base should be managed and maintained by verifying all accounts on a monthly, quarterly, bi-annually or annually basis to check for change such as deceased, status of the company or cell phone numbers.

### 2.8. Develop a Communication and Capacity Building program

Develop a communication and capacity building program to assist the Municipality to inform all concerned regarding the Revenue Enhancement and Revenue Protection program.

### 2.9. It may be required from the Service Provider to provide additional revenue enhancement exercises in respect of other revenue streams such as tariffs, sundry levies, fines etc. and the tenderer must submit an additional proposal, separate from the pricing schedules herein.

### 2.10. Geo-Spatial Stand Audits

Verify/confirm all Services, Property and Customer info in relationship to all services /ownership data. Engagement and formalisation of the tribal authority areas, and formal survey of the current status quo with regard to the allotments of land submission to the Office of the Surveyor General.

This entails the following key elements:

- Use of a spatial system that is web based
- Live dashboards and reporting tools to be used by the municipality during data verification
- Physical inspection of meter installations
- Use of handheld technology to enable real time reporting
- Analyse field findings to the billing data
- Validate & Provide customer data to the billing system
- Updated, accurate customer details and property information in the billing system

Field Information:

A stand number were possible will be used to conduct an in-depth investigation whereby the Owners detail, stand usage, municipal services, meters location, number and readings are confirmed. The meter detail is to be recorded as well as an inspection of the meter/installation. A photograph to confirm condition of the meter must be taken for record purposes. In addition to the already mentioned it also includes the detection and reporting of unmetered supply and unknown/unread meters as well as the GPS co-ordinates of the installation.

## 2.11. Supply and Maintenance of a Workflow Management System

The Service Provider/ Successful Tenderer shall supply a workflow management system that manages the entire credit control processes. The core system must be able to generate and report on all revenue enhancement and revenue protection related tasks and results and will manage the entire process.

- The system must be a web-based workflow management system. The system must also be a singular system working off a single database
- The system must be easily integrate able with other systems e.g. debtor system to obtain arrears and payments data and to transfer credit control levies upon successful completion of actions, prepay services management system and services network management systems. (Integration can be achieved with the transfer of data in various formats, including .csv format)
- The system should verify payment status on an account before physical credit control actions are performed.
- Provide real time reports on the rand value of the reaction for the consumer for cash and separately for instalment/ arrangement for each of the following:
  - The number of consumers reacting to the SMS/ Final Demand Notices as well as the rand value of the reaction and the levies billed.
  - The number on consumers reacting to different levels of electricity/ water restriction/disconnection actions as well as the monetary value of this reaction and the levies billed.
  - The number of consumers reacting to the Ad Hoc actions as well as the monetary value of this reaction and the levies billed
  - The total rand value of all the reactions
- The software should have strict security measures in place linking people to roles and then to certain rights such as reports and reconnections. High security is an absolute requirement.
- The system must be flexible i.e. able to handle ad hoc and special requests by the municipality.
- Ability to send short messaging, (SMS's) to consumers regarding their account status (credit control -, notification that consumer is in arrears etc.), messages to the public about any issue (campaigns, request to apply as an indigent etc.). The system should allow for two-way communication and tracking of communication with consumers.
- The system must keep track of all actions for a consumer since entering the credit control process and have a full audit trail of activities.
- The system must allow for the printing of notices and the uploading of information from handhelds on an online basis. **(Specify type of device used)**
- To assist Municipal staff to electronically instruct a services reconnection as well as the system to send this message to the field contractor automatically
- Easily integrate with GIS system of the municipality.
- Management of all credit control actions which could not be performed, and which need intervention from the municipality.

### **3. REPORTING REQUIREMENTS**

The Municipality (and its various departments) must be updated on a regular basis of any development requiring action or attention by the municipality. Such updates include:

- Successful and unsuccessful actions
- Accounts referred for follow up actions
- Report on levies, cash and arrangements
- Reports on debt recovered
- Executive overview and critical aspects of the project
- Quantity of all credit control actions received and executed
- Revenue Protections report on all activities.
- Stock Level report: Stock information per item of start quantities, issued, received and stock balance
- Water restriction and reconnections
- Arrear statistics (monthly/quarterly/annually)
  - Growth in indigent accounts
  - Cash flow improvements
  - Improvement on billing data (meter reading) completeness
  - Net effect on arrears
  - Collection on arrangements

### **4. FACILITIES AND EQUIPMENT REQUIREMENTS**

All facilities, equipment and consumables are to be provided by the Successful Service Provider at his own office on his own costs, including but not limited to:

- a) Computer workstation(s) suitable to handle the data and communication volumes required.
- b) Communication equipment to establish data communication with the Municipality for the required import, export and validation of information into the financial system.
- c) Digital/Laser Printers for the printing of instructions and/or notices such as the Final Notices, disconnection notices etc.
- d) Appropriate vehicles, equipment (Including GPS's and Hand-Held devices) tools and restriction devices at own costs.
- e) Vehicles (it must be noted that some areas would require vans and cherry pickers) and staff to be clearly marked/identifiable.

### **5. HANDHELD DEVICES, MOBILE PRINTER, JOB CARD, STICKER ROLL, DATA**

#### **5.1 Handheld Devices**

- The tenderer shall provide a handheld device which will be used to receive the jobs and report on the outcomes of the jobs allocated and to capture photos and GPS (co-ordinates for all credit control actions).
- The handheld device must come complete with travel charger and car charger.
- The handheld devices remain the property of the service provider.

- The liability for safekeeping of the handheld devices in working condition shall reside with the tenderer throughout the period of the tender.

## 5.2 Mobile Printer

- The tenderer shall provide a mobile printer that is compatible with the handheld device and which will be used to print the sticker to affix to the job cards for all credit control actions.
- The mobile printer must have Bluetooth capability and complete with travel charger and car charger.

## 5.3 Sticker paper roll

- The Service provider shall provide sticker paper rolls on which to print customers and job details as received with the jobs from the Municipality.

## 5.4 Data

- The Service provider shall provide mobile data bundles to their field personnel monthly for the period of the tender, which must be sufficient to receive jobs and to disseminate feedback including photos, GPS and all related communications.

## 6. **PREVIOUS EXPERIENCE AND FUNCTIONALITY**

- a) The Tenderer shall submit with his tender full verifiable details of previous experience concerning the services similar to the services specified in this document. (Both management and actual performance of actions)

## 7. FUNCTIONALITY CRITERIA

CRITERIA	POINTS	Evidence
<b>Value Add/ Methodology</b>  Ability to provide additional advisory services regarding revenue management as part of the project  - Ability to demonstrate in a form of a report= 10 points  - No ability (no report) = 0 points	10	Attach a full credit control management report for completed work in a similar institution
<b>Key Personnel: all key personnel must submit a detailed CV and certified copies of qualifications</b>	30	Attach CVs, certified ID copy, and certified copies of qualifications
1. <b>Project Manager:</b> must have a minimum of 6 years Experience in credit control services for both electricity and water services and a National diploma or higher in Electrical or Civil Engineering and ECSA registration as a professional technician/technologist/engineer- (15 points)		
IT Staff– Must have a minimum experience of 3 years in systems support and network administration and National Diploma or higher in Information Technology, Systems support- (5 points)		
3 x Electricians: must have a minimum experience of 3 years, N3 (Electrical) and trade certificate - (5 points)		
3 x Plumbers: must have a minimum experience of 3 years, N3 (Plumbing) and trade certificate - (5 points)		
<b>Resources/ Fleet</b>	15	

<p>Vehicles to be assigned to the project team (field workers)</p> <p>1 x LDV=2 points</p> <p>1 x SUV/4X4=3 points</p> <p>1 x Chery Picker=5 points</p>		<p>Proof of ownership - submit certified copies of registration documents and pictures; should the vehicle be leased or intended to be leased provide lease agreement or certified letter of intent to hire and pictures)</p> <p>The fleet listed must comprise of vehicles fit for purpose (LDV, SUV/4x4, Chery Picker)</p>
<p>3 and more Computers = 5 points</p> <p>1 to 2 Computers = 2 points</p> <p>No computers=0</p>		<p>Proof of ownership (asset register, serial numbers and a picture of the computer).</p>
<p><b>Experience and track record in similar project =30 points</b></p> <p>4 successfully completed projects and above = 30 points</p> <p>3 successfully completed projects = 20 points</p> <p>2 successfully completed projects=15 points</p> <p>1 successfully completed project=10 points</p> <p>The bidder is required to submit an appointment letter and matching reference letter with contactable references signed by a senior official</p>	<b>30</b>	<p>Reference and Appointment letters must be signed by senior officials, i.e Manager/Director/Executive Manager/HOD/ MM/CFO etc.</p>
<b>Training and skills transfer</b>	<b>15</b>	<p>Comprehensive Skills transfer plan must be submitted as proof.</p>

Training and skills transfer plan= 15 points		
<b>Total</b>		
	<b>100</b>	

**Only bidders who score a minimum of 80 points or more for Functionality will be further evaluated.**

## 8. PRICING SCHEDULE

### 8.1 Table A: SMS & MMS Communication

<i>ACTION TYPE</i>	<i>DESCRIPTION</i>	<i>RATE (EXCL. VAT)</i>
Short message (SMS)	Account balance notification	
Short message (SMS)	Any other Credit Control and other related communication to consumers	
Short Code (SMS functionality)	Ability for consumers to query predefined information via SMS notification enquiries	
Email Communication – Defaults	Registered Email Communication to defaulting debtors	
	<b>TOTAL</b>	<b>R</b>

### 8.2 Table B: Final Notice Delivery by hand

<b>ACTION TYPE</b>	<b>DESCRIPTION</b>	<b>RATE (EXCL. VAT)</b>
Final Demand Notice	Urban/ Residential	
	Rural Areas, Small Holdings and Farms	
	Business	
Valid unsuccessful visits to premises (demolished buildings, invalid addresses etc.		
<b>TOTAL</b>		<b>R</b>

## 8.3 Electricity

### 8.3.1 Table C: Urban – Residential

<i>ACTION TYPE</i>	<b>DESCRIPTION</b>	<b>RATE (EXCL. VAT)</b>
Disconnection	Disconnection of service with credit type / prepaid meter.	
Reconnection	Reconnection of service with credit type / prepaid meter.	
Removal of Installation Permanently (RIP)	Overhead to premises	
	Underground cable to premises	
	Underground reticulation	
Restoration of Supply	Overhead to premises (labour only)	

<i>ACTION TYPE</i>	<b>DESCRIPTION</b>	<b>RATE (EXCL. VAT)</b>
	Underground cable to premises (labour only)	
	Underground reticulation (labour only)	
	Underground reticulation 3 phase (labour only)	
Illegal Consumption Inspection (ICI) Ground Mounted DU	Electricity only	
Illegal Consumption Inspection (ICI) Aerial Mounted DU	Electricity only	
Visits	Task not completed with reason	
Ad Hoc Client Investigation Request		
	<b>TOTAL</b>	<b>R</b>

8.3.2 Table D: Rural – Small Holdings/ Farms

<i>ACTION TYPE</i>	<b>DESCRIPTION</b>	<b>RATE (EXCL. VAT)</b>
Disconnection	Disconnection of service with credit type / prepaid meter.	
Reconnection	Reconnection of service with credit type / prepaid meter.	
Removal of Installation Permanently (RIP)	Overhead to premises	
	Underground cable to premises	
	Underground reticulation	
Restoration of Supply	Overhead to premises (labour only)	
	Underground cable to premises (labour only)	
	Underground reticulation (labour only)	
	Underground reticulation 3 phase (labour only)	
Illegal Consumption Inspection (ICI) Ground Mounted DU	Electricity only	
Illegal Consumption Inspection (ICI)	Electricity only	

<i>ACTION TYPE</i>	<b>DESCRIPTION</b>	<b>RATE (EXCL. VAT)</b>
Aerial Mounted DU		
Visits	Task not completed with reason.	
Ad Hoc Client Investigation Request		
	<b>TOTAL</b>	<b>R</b>

8.3.3 Table E: Business

<i>ACTION TYPE</i>	<b>DESCRIPTION</b>	<b>RATE (EXCL. VAT)</b>
Disconnection	Disconnection of service with credit type / prepaid meter.	
Reconnection	Reconnection of service with credit type / prepaid meter.	
Removal of Installation Permanently (RIP)	Overhead to premises	
	Underground cable to premises	
	Underground reticulation	
Restoration of Supply	Overhead to premises (labour only)	
	Underground cable to premises (labour only)	
	Underground reticulation (labour only)	
	Underground reticulation 3 phase (labour only)	
Illegal Consumption Inspection (ICI) Ground Mounted DU	Electricity only	
Illegal Consumption Inspection (ICI) Aerial Mounted DU	Electricity only	
Visits	Task not completed with reason	
Ad Hoc Client Investigation Request		
	<b>TOTAL</b>	<b>R</b>

#### 8.4 Water

8.4.1 Table F: Urban – Residential

<i>ACTION TYPE</i>	<b>DESCRIPTION</b>	<b>RATE (EXCL. VAT)</b>
Flow reduction (15-20mm)	Install restrictive device (labour only)	
Normalise flow	Remove restrictive device (labour only)	
Illegal consumption Inspection (ICI)	Water only	
Visits	Task not completed with reason	
Ad Hoc Client Investigation Request		
	<b>TOTAL</b>	<b>R</b>

8.4.2 Table G: Rural – Small Holdings/farms

<i>ACTION TYPE</i>	<b>DESCRIPTION</b>	<b>RATE (EXCL. VAT)</b>
Flow reduction (15-20mm)	Install restrictive device (labour only)	
Normalise flow (15-20mm)	Remove restrictive device (labour only)	
Illegal Consumption Inspection (ICI)	Water only	
Visits	Task not completed with reason	
Ad Hoc Client Investigation Request		
	<b>TOTAL</b>	<b>R</b>

8.4.3 Table H: Business

<i>ACTION TYPE</i>	<b>DESCRIPTION</b>	<b>RATE (EXCL. VAT)</b>
Closure of Water (15 -40mm)	Install restrictive/securing device (labour only)	
Normalise flow (15 – 40mm)	Remove restrictive/securing device (labour only)	
Closure of Water (50 -100mm)	Install restrictive/securing device (labour only)	
Normalise flow (50 – 100mm)	Remove restrictive/securing device (labour only)	
Illegal consumption Inspection (ICI)	Water only	
Visits	Task not completed with reason	

<i>ACTION TYPE</i>	<b>DESCRIPTION</b>	<b>RATE (EXCL. VAT)</b>
Ad Hoc Client Investigation Request		
	<b>TOTAL</b>	<b>R</b>

**8.5Table I: Management of Unsuccessful Actions: Non-Technical and Technical Actions**

ACTION TYPE	RATE (EXCL. VAT)
Non-Technical Intervention-per action (address-, meter detail incorrect, address not found etc.) Regarded as physical site inspections and correcting of data on municipal systems	
Technical Intervention-per action (Field Visit and report) – Physical work conducted to normalize installation for credit control	
Restoration and/or normalization of meters and installations	
Ad Hoc Client Investigation Request	
<b>TOTAL</b>	<b>R</b>

**8.6Table J: Management of Final Readings, New Service Agreements, Prepaid management, and installation**

ACTION TYPE	DESCRIPTION	RATE (EXCL. VAT)
Electricity/ Water meter readings	Take final/new water meter readings and attach notice	
(Water) <b>Urban</b> /Residential accounts		
Shut off Isolation Valve	Install restrictive device (Labour only)	
Normalise flow	Remove restrictive device	
(Water) <b>Rural Areas, Small Holdings and Farms</b>		
Shut off Isolation Valve	Install restrictive device (Labour only)	
Normalise flow	Remove restrictive device	
(Water) Business accounts		
Shut off Isolation Valve (15 - 40mm)	Install restrictive/securing device (Labour only)	
Normalise flow	Remove restrictive/securing device	
Shut off Isolation Valve (50 - 100mm)	Install restrictive/securing device (Labour only)	
Normalise flow	Remove restrictive/securing device	
Electricity – Urban Residential		
Disconnection	Disconnection of service with credit type / prepaid meter.	
Reconnection	Reconnection of service with credit type / prepaid meter.	
Rural – Small Holdings/ Farms		

ACTION TYPE	DESCRIPTION	RATE (EXCL. VAT)
Disconnection	Disconnection of service with credit type / prepaid meter.	
Reconnection	Reconnection of service with credit type / prepaid meter.	
Electricity Business		
Disconnection	Disconnection of service with credit type / prepaid meter.	
Reconnection	Reconnection of service with credit type / prepaid meter.	
	<b>Prepaid management and installation</b>	
Management of consumption monitoring process on pre-paid meter installations		
Pre-paid meter installations		
<b>TOTAL</b>		<b>R</b>

**9 TABLE K: MANAGEMENT OF THE BY-LAW PROCESS WHERE ILLEGAL CONSUMPTION IS DETECTED**

ACTION	DESCRIPTION	RATE (EXCL. VAT)
Site Visit	Verify information and establish condition status of the network installation and meter	
Case Docket	Compiling a case file comprising of all necessary evidence documentation	
All other related actions	Disconnections/Restrictions/RIP	
<b>TOTAL</b>		<b>R</b>

**9. TABLE L: PROFESSIONAL SERVICES (AD-HOC)**

<b>SERVICE OFFERING</b>	<b>PER HOUR (EXCL. VAT)</b>	<b>PER ACCOUNT (EXCL. VAT)</b>
Debt Book Analysis ito Collectability		
Arrears Collection Strategy		
Policies and By-Laws		
Integration of system processes and information		
<b>Revenue Enhancement Specialist</b>		
<b>IT Specialist (Software)</b>		
<b>Admin/Data Capturer</b>		
<b>TOTAL</b>	<b>R</b>	<b>R</b>

**10. TABLE M: DATA ENRICHMENT AND FINANCIAL PROFILING: DATA CLEANSING – ALL ACCOUNTS ON THE BILLING SYSTEM (AD-HOC)**

<b>SERVICE OFFERING</b>	<b>PER ACCOUNT (EXCL. VAT)</b>
Affordability Study per account holder (ID number)	
Extract all data on Debtor system to identify deceased persons & Companies in liquidation – per account	
Deceased Persons successfully confirmed – per account	
No or Incomplete ID Numbers – per account	
<b>TOTAL</b>	<b>R</b>

**11. TABLE N: DATA CLEANSING: STAND, DEEDS, BILLING DATA & RECONCILIATIONS (AD-HOC)**

<b>SERVICE OFFERING</b>	<b>PER ACCOUNT (EXCL. VAT)</b>
Correctly categorise each account according to the appropriate municipality classification, which includes government, business, residents etc.	
Reclassify debtors that are incorrectly identified on the billing system.	
Perform valuation roll reconciliation, reconcile the valuation roll to the municipality financial management system.	
Investigate and identify accounts with incorrect billing codes/tariffs, e.g. property registered as business property however levied/billed as a residential property.	
Verify all billing data in relation to ownership data (e.g. accuracy of ID numbers, meter numbers, erf numbers, physical and postal addresses, etc.).	

Verify occupancy in relation to all services sites, through facilitating the signing of an extension of credit agreement per serviced sites, run a deeds search / reconcile to property valuation of the municipality for all properties and ensuring that they are billed	
Check any pieces of land owned by the municipality and verify their existence in the asset register and general valuation roll (Property investment)	
Identify any land parcels that are municipal and those that are owned by members of the community which may not be appearing in the municipality's billing system	
Verify all debtors' types through conducting physical (door to door) verification per registered erf and against zoning data	
Verify service coverage per site, through assessing billing status per registered erf against scheme coverage and a level of service	
Verify all meter installations – domestic, commercial, industrial, through assessing meter information as per billing system against all meter audit data per registered erf	
Identify areas where meters are required whilst conducting credit control measures	
Determine households in need of indigent support and that not in need or no longer qualifying for an indigent support must be listed separately for being removed from the indigent register	
Analyse the arrear debt in the municipal books in order to determine whether there are accounts that are untraceable, inaccurate, etc. and require some writing offs or any adjustments	
Prepare a list of all accounts that may require to be written off for a Council approval (e.g. accounts with no movement, etc.)	
Identify and report houses operating as businesses and provide information plus also verify as well if owners are not recipients of indigent support	
Analyse data on pre-paid system and ensure that all customer details are captured and match customer information in the billing system and erf files (particularly meter numbers, erf numbers, physical and postal addresses, ID numbers and names, etc.)	
<p>Conduct door to door field surveys to verify customer information details on all properties that are receiving municipal services:</p> <ul style="list-style-type: none"> <li>• Name of registered owner(s) / occupancy</li> <li>• Identity number of the registered owner(s) / occupancy</li> <li>• Contact details (telephone, cellphone number and email address)</li> <li>• Street and postal addresses</li> <li>• Occupancy of all properties that are receiving municipal services</li> </ul>	

<ul style="list-style-type: none"> <li>• Type of services per property</li> <li>• Status of occupants, indigents – non indigents</li> <li>• Sub-division details</li> <li>• Existence and accuracy of meters – matching meters against municipal master file</li> <li>• Current usage (zoning) – business, domestic</li> <li>• Other</li> </ul>	
Correct billing data in relation to ownership data (e.g. accuracy of ID numbers, physical and postal addresses, contact numbers)	
Signing of an extension of credit agreement per serviced sites to ensure that they are billed	
Register of a piece of land owned by the municipality and exist in the asset register and valuation roll	
List of pieces of land that are municipal and those that are owned by community which may not be appearing in the municipal billing system	
Debtors types through conducting physical (door to door) verification per registered erf against zoning data	
Report on service coverage per site, through assessing billing status per registered erf against scheme coverage and level of service	
Schedule of all meter installations – domestic, business, industrial, through assessing meter information as per billing system against all meter audit data per registered erf	
List of areas or properties where meters are required	
A report of domestic houses operating as business	
<b>TOTAL</b>	<b>R</b>

**12. TABLE O: DEVELOP A COMMUNICATION AND CAPACITY BUILDING PROGRAM (AD-HOC)**

<b>DESCRIPTION</b>	<b>PER ACCOUNT (EXCL. VAT)</b>
Develop a comprehensive Communication Strategy and Roll-out Plan in conjunction with the Municipality	
Print Material	
Planning, Facilitate and Execute Campaigns (hiring of equipment, distribution of pamphlets etc.)	
<b>TOTAL</b>	<b>R</b>

**13. TABLE P: GEO-SPATIAL AUDITS (AD-HOC)**

<b>SERVICE OFFERING</b>	<b>PER ACCOUNT (EXCL. VAT)</b>
Review & Configuration of Surveyor General Data from municipality	
Stand/Property Audit (to be done spatially with photo and GPS reporting)	
Metered Services Audit (to be done spatially with photo and GPS reporting)	
Consumer Information Audit (to be done spatially with photo and GPS reporting)	
<b>TOTAL</b>	<b>R</b>

**TOTALS**

TABLE A	R
TABLE B	R
TABLE C	R
TABLE D	R
TABLE E	R
TABLE F	R
TABLE G	R
TABLE H	R
TABLE I	R
TABLE J	R
TABLE K	R
TABLE L	R
TABLE M	R

TABLE N	R
TABLE O	R
TABLE P	R
<b>SUB-TOTAL</b>	<b>R</b>
<b>VAT</b>	<b>R</b>
<b>TOTAL</b>	<b>R</b>

**Signature of person authorised to sign the tender: .....**

**Bids must remain valid for ninety (90) days after the submission date.**

**TAX CLEARANCE CERTIFICATE/COPY OF TAX COMPLIANCE STATUS DOCUMENT (TCS) MUST BE ATTACHED**

**THE BIDDING ENTITY AS WELL AS ALL ITS DIRECTORS MUST SUBMIT MUNICIPAL ACCOUNT WHICH IS NOT MORE THAN THREE (3) MONTHS IN ARREARS OR VALID LEASE AGREEMENT WHICH IS IN THE NAME OF THE BUSINESS AND OR THE DIRECTORS, WHICH MUST STIPULATE THE RESPONSIBILITY OF PAYMENT OF MUNICIPAL SERVICES.**

- IF THE RESPONSIBILITY OF PAYMENT OF MUNICIPAL SERVICES IS THAT OF THE TENANT/LESSEE, PLEASE PROVIDE PROOF OF PAYMENT OF THOSE SERVICES.
- IF THE BUSINESS OPERATES FROM THE DIFFERENT ADDRESS AS PER CIPC DOCUMENT, AFFIDAVIT MUST BE PROVIDED

**ATTACH PROOF OF JOINT VENTURE AGREEMENT**

**BIDDER MUST ATTACH THE CENTRAL SUPPLIER DATABASE (CSD) REGISTRATION FULL REPORT.**

## BID CHECKLIST

This list is aimed at assisting all bidders to submit complete bid documents.

Bidders are to check the following points before the submission of their tender document and to complete YES/NO next to each item as an indication that the bidder has complied with the provision of the item concerned. If any of the items are marked as NO – it might lead to the disqualification of your bid.

ITEM	DESCRIPTION	YES	NO
1.	Provided copy of your company registration document.		
2.	Provided certified copy of your company VAT registration Certificate if applicable		
3.	Tax clearance certificate/copy of tax compliance status (TCS) document has been submitted – in the name of the bidding entity		
4.	Copy of latest municipal account (Rates, Taxes and Services Account) which is not more than 3 months old at the time of closing. The bidding entity as well as all its directors must submit a Municipal account (Rates, Taxes and Services Account) which is not more than three (3) months in arrears or valid lease agreement which is on the name of the entity. If the director is leasing, they must also provide a valid lease agreement on their names. 5.1 If the business operates from the different address as per CIPC document, an affidavit must be provided.		
5.	Completed and Signed Schedule of Quantities. Where an item is not going to be charged 0.00 must be inserted not a dash (-) (pricing to be completed as per the schedule of quantities in the tender document)		
6	Certified copies of all directors ID.		
7.	All pages of the bid document have been read by the bidder and the returnable schedules and MBD forms duly completed and signed.		
8.	All pages requiring information have been completed in full and in black ink.		
9.	No pages removed from the tender document		

10.	A copy of the resolution of your Board of Directors, similar to the attached specimen, authorizing the signatory to sign the tender and the subsequent contracts, has been attached and signed.		
11.	JV agreement has been attached and signed (if applicable)		
12	Bidder must attach the Central Supplier Database (CSD) registration full report.		
19.	In case of any amendments made, was it signed in full by the authorized signatory? Please note that the use of tipp-ex will lead to immediate disqualification.		
20.	<p>Please declare any interest as required in terms of MBD - 4 truthfully and correctly as incorrect declarations are considered a criminal offence.</p> <ul style="list-style-type: none"> <li>▪ Personal Tax Numbers included</li> <li>▪ State Employee Number / Persal Number</li> <li>▪ Identity number</li> <li>▪ Name</li> </ul>		
21	Tenderers must submit the relevant copy of Workmen's Compensation Registration Certificate, COIDA Certificate- Credit control, meter reading or Utility management services.		
22	Use of handheld devices for the purpose of credit control processes is compulsory. Proof of ownership in the form of asset register, serial numbers and a picture of a device.		
23	Proof of Professional Indemnity Insurance (R5million and above)		
24.	Please take note of the functionality evaluation criteria that will be applied to your submission in order to ensure that your company has the necessary capacity and capability to successfully execute this tender, if appointed. Ensure that sufficient information is included in your submission to ensure successful evaluation of your bid.		

PLEASE NOTE:

- No contract will be awarded to a service provider, if the service provider or its directors are in arrears with their municipal accounts for more than three (3) months.
- In case of a Joint Venture, please note that individual documents have to be submitted for all parties in the JV, like tax clearance certificates, municipal accounts, etc.
- No communication with Lesedi Municipal officials are allowed after the closing date of the tender. The only authorized form of communication will be through the Supply Chain Management Office.
- No bids will be accepted if not submitted on the correct closing date and time. No late bids will be considered, even if only late by a minute.