



## JOHANNES PHUMANI PHUNGULA MUNICIPALITY

### INVITATION TO BID BID REFERENCE NO: JPP-B-01/02/26

### PROVISION OF BANKING SERVICES (INCLUDING CONCLUSIVE FLEET MANAGEMENT SOLUTION, TRACKER & CASH IN TRANSIT) FOR A PERIOD OF 60 MONTHS

### TENDER DOCUMENT

Name of Tenderer \_\_\_\_\_  
Telephone Number \_\_\_\_\_  
Fax Number \_\_\_\_\_  
Address \_\_\_\_\_  
Email Address \_\_\_\_\_  
Tender Sum \_\_\_\_\_  
CSD Reg. No. \_\_\_\_\_

**CLOSING DATE OF THE BID: 17 APRIL 2026 AT 12:00**

AT THE PEACE INITIATIVE HALL,  
, IXOPO

**NO LATE SUBMISSIONS WILL BE CONSIDERED**

JOHANNES PHUMANI PHUNGULA MUNICIPALITY  
P.O. BOX 132, IXOPO, 3276

TEL: (039) 834 7700  
FAX: (039) 834 1168

# PROVISION OF BANKING SERVICES (INCLUDING CONCLUSIVE FLEET MANAGEMENT SOLUTION, TRACKER & CASH IN TRANSIT) FOR A PERIOD OF 60 MONTHS

The Closing Date and Time for Submission of offers is Friday, 17 APRIL 2026 AT 12:00

The offers will remain valid for 90 days from the closing date for submission of proposals.

## Closing Date and Submission of Documentation

Bidders should ensure that bids are delivered timeously to the correct address. Bids which are late, incomplete, unsigned, or submitted by facsimile or electronically will not be accepted. Documents must be submitted in a clearly marked sealed envelope and placed in the tender box of the Municipality, which can be found at:-

The Front Entrance

Peace Initiative Hall two blocks below the Ixopo High School see below



# **TENDER ADVERT**

29 Margaret Street  
 Ikopo  
 3276  
 Tel: 039 8347700  
 E-mail:  
 mm@jppmunicipality.gov.za



Po Box 132  
 Ikopo  
 3276  
 Fax: 039 8341168  
 Webpage: www.jppmunicipality.gov.za

**INVITATION TO BID**

Johannes Phumani Phungula Municipality invites suitable, qualified, and experienced service providers to provide services to the municipality.

PROJECT NAME	BID NUMBER	COMPULSORY BRIEFING SESSION AND SITE INSPECTION	CIDB GRADING	MINIMUM FUNCTIONALITY SCORE	AVAILABILITY OF TENDER DOCUMENTS	NON-REFUNDABLE PRICE	CLOSING DATE
Provision of Banking Services (including conclusive Fleet Management Solution, Tracker & Cash in Transit) for a period of 60 months	JPP-B-01/02/26	N/A	N/A	70%	Documents will be available on 20 February 2026 at 14h00	R 1 800.00 per doc. Cashier's Office, 29 Margaret Street	17 April 2026 at 12h00
Supply & Installation of Security Fencing for Municipal Store Facility	JPP-B-02/02/26	25 February 2026 @ 10h30 Venue: Peace Initiative Hall	2SQ PE or 3SQ only			R 900.00 per doc. Cashier's Office, 29 Margaret Street	20 March 2026 at 12h00
The Appointment of a professional Service Provider to review the Strategic Environmental Assessment for Johannes Phumani Phungula Local Municipality	JPP-B-03/02/26	N/A	N/A				
The Appointment of a Service Provider to undertake Drawings, Submission and Approval of AS-Built Plans, Source Copies of SG Diagram & Title Deeds for all Municipal Buildings within Jurisdiction of the Johannes Phumani Phungula Local Municipality	JPP-B-04/02/26						
Panel of Hardware for Building Materials of Hall Maintenance & Disaster Incidents	JPP-B-05/02/26	N/A	N/A				
Supply and Delivery of Protective Clothing for a period of 36 months	JPP-B-06/02/26	N/A	N/A				

**BID NUMBER** must be deposited in the **tender box** at the entrance of Peace Initiative Hall where bids will be opened in public. The name and address of the bidder must be clearly written on the sealed envelope containing the bid. **Tender documents will also be available free of charge on [www.etenders.gov.za](http://www.etenders.gov.za) and [www.jpmmunicipality.gov.za](http://www.jpmmunicipality.gov.za).**

**Enquiries regarding this notice may be directed as follows:** For technical related matters - Attention: Mr PM Gwala ([pmgwala@jpmmunicipality.gov.za](mailto:pmgwala@jpmmunicipality.gov.za)) for Fencing of Municipal Store Facility, Strategic Environmental Assessment and Approval of AS-Built Plans, Ms NC Mohau ([ncmohau@jpmmunicipality.gov.za](mailto:ncmohau@jpmmunicipality.gov.za)) for Panel of Hardware and Ms S Sityata ([ssityata@jpmmunicipality.gov.za](mailto:ssityata@jpmmunicipality.gov.za)) for Banking Services, Protective Clothing and SCM related matters: Tel: 039 – 834 7700 Fax:039 – 834 1168.

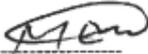
**The tenders will be adjudicated via two stages of which the first stage will be functionality, and the second stage will be 80:20 Preference Point systems where 80 is for the price and 20 is for the preference goals. Each bidder must score a minimum score for functionality to be considered for the second stage of evaluation.**

Johannes Phumani Phungula Municipality will be using the following preferential goals to allocate points.

PREFERENCE GOAL	80/20	Detailed breakdown points allocation is attached on the tender document
GOAL 1 - Ownership – Maximum points	10	
GOAL 2 – RDP – Maximum points	10	

Late bids or bids received by way of post, facsimile or e-mail will, under no circumstances, be considered.

The Johannes Phumani Phungula Municipality subscribes to the Preferential Procurement Framework Act, Act 5 of 2000. Bids shall be valid for a period of 90 days. The Johannes Phumani Phungula Local Municipality does not bind itself to accepting the lowest, or any bid, either wholly or in part or give any reason for such action. If the price offered by tenderer is not market-related the municipality may not award the contract to that tenderer and may negotiate for market related price with the tenderer, failing which negotiate with the next highest scoring tenderer or the tender may be cancelled.



M.E Mkhize  
Municipal Manager

**MBD1**

**PART A  
INVITATION TO BID**

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF JOHANNES PHUMANI PHUNGULA MUNICIPALITY</b>					
BID NUMBER:	JPP-B-01/02/26	CLOSING DATE:	17 APRIL 2026	CLOSING TIME:	12H00
Description	PROVISION OF BANKING SERVICES (INCLUDING CONCLUSIVE FLEET MANAGEMENT SOLUTION, TRACKER & CASH IN TRANSIT) FOR A PERIOD OF 60 MONTHS				
<b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM.</b>					

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

<b>PEACE INITIATIVE HALL</b>					
<b>IXOPO</b>					
<b>3276</b>					
<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:	
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3 ]
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE		R	
SIGNATURE OF BIDDER	.....		DATE		
CAPACITY UNDER WHICH THIS BID IS SIGNED					
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>			<b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>		
DEPARTMENT	BTO		CONTACT PERSON	Ms S Sityata	
CONTACT PERSON	Ms S Sityata		TELEPHONE NUMBER	039 834 7700	
TELEPHONE NUMBER	039 834 7700		FACSIMILE NUMBER	039 834 1168	
FACSIMILE NUMBER	039 834 1168		E-MAIL ADDRESS	<a href="mailto:ssityata@jppmunicipality.gov.za">ssityata@jppmunicipality.gov.za</a>	
E-MAIL ADDRESS	<a href="mailto:ssityata@jppmunicipality.gov.za">ssityata@jppmunicipality.gov.za</a>				

**PART B**  
**TERMS AND CONDITIONS FOR BIDDING**

<b>1. BID SUBMISSION:</b>	
1.1.	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2.	<b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE</b>
1.3.	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
<b>2. TAX COMPLIANCE REQUIREMENTS</b>	
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER’S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
2.4	FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.
2.5	BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.6	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.7	WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
<b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>	
3.1.	IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>
3.2.	DOES THE ENTITY HAVE A BRANCH IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>
3.3.	DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>
3.4.	DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>
3.5.	IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>
<b>IF THE ANSWER IS “NO” TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.</b>	

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

SIGNATURE OF BIDDER: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED:

.....

DATE: .....



**JOHANNES PHUMANI PHUNGULA MUNICIPALITY**

**TERMS OF REFERENCE**

**PROVISION OF BANKING SERVICES (INCLUDING CONCLUSIVE FLEET MANAGEMENT SOLUTION, TRACKER & CASH IN TRANSIT) FOR A PERIOD OF 60 MONTHS**

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## **ANNEXURES**

Relevant Experience

Certificate of Authority

Compulsory Enterprise Questionnaire

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MBD 4: Declaration of Interest

MBD 6.1: Preference Points Claim Form in Terms of the Preferential Procurement Regulations 2022

MBD 8: Declaration of Bidder's Past Supply Chain Management Practices

MBD 9: Certificate of Independent Bid Determination

Form of Offer and Acceptance

General Conditions of Contract

## **1. SPECIFICATION OF THE BID**

Proposals are requested from service providers of Banking in terms of the Bank Act, 1990 (Act 94 of 1990). In terms of Section 7 of the Municipal Finance Management Act 56 of 2003, a municipality must open and maintain at least one bank account in the name of the municipality. All money received by a municipality must be paid into its bank account or accounts, and this must be done promptly and in accordance with Chapter 3 of the MFMA and any requirements that may be prescribed.

## **2. PURPOSE**

To achieve the above the banking service provider must:

- Have a Relationship Manager / team based within the Johannes Phumani Phungiula Local Municipality region; Provide consolidated reports on all bank accounts of Johannes Phumani Phungula Local Municipality.
- Provide daily electronic downloads of transactions.
- Provide a central point for enquiry services that will allow a 24 hrs turnaround time;
- Provide overdraft facilities in accordance with section 45 of the MFMA when required; Facilitate electronic payroll facilities to all permanent staff;
- Provide an integrated banking solution for payment and receipt that is cost effective and efficient; Provide physical security systems in place to protect customers accessing banking services at the local branch;
- Have processes and controls to mitigate Operational Risk and Fraud;
- Have a seamless phased in implementation of the conversion interface with the successful bidder;
- Be able to handle large volumes of transactions.
- Physical Banking and Service Administration. Footprint.
- Availability of branches, service points and support staff within the Johannes Phumani Phungula Local Municipality area.
- Availability of points for the public to pay municipal accounts within the subscribed municipal area.

## **3. SCOPE OF WORK**

### **A. Services and Costs**

- Online security.
- Online customer transactions and account enquires; High volume transactions;
- Online tracing of unknown receipts to avoid unallocated receipts.
- The bidder must indicate whether it has a direct online stop payments facilities and the reversal thereof,
- Has ability to handle large volumes on line
- Has direct online function to enquire on the status of all relevant bank accounts.
- Forex Transactions
- Petty Cash Facility
- Cash collection services
- Conclusive cash management solution.
- Car tracking services

## **B. Cost Structures**

- Bank Charges and the time frame that the rates will be effective for:-
- Monthly Services;
- Other charges;
- Internet Banking.
- Financing Rates;
- Overdraft;
- Asset Based Finance;
- Operating Rentals.

## **C. Investment Portfolio**

- Products;
- Charges;
- Administration;
- Commission;
- Switching Funds.
- Administration of the Portfolio.

## **D. Banking Services and Product Range:**

The bidder must provide a full set of electronic and other banking products and services to the Municipality such as-

### **1. Cash Handling Service**

- Supply information indicating procedures and authorization requirements for cash deposits, withdrawals, cheque payments, stop payments instructions and any other services provided relating to the handling of cash and cheques with the associated costs;
  - Can sort information based on deposit identification;
  - Can provide real time cash management information to optimize the municipality's fund management;
  - Can provide one main charges account for all the bank charges including our third party charges.
- The successful bidder should provide unique service addressing the requirements of the municipality. The bidder should provide a commitment to offer customized and sustainable banking services in relation to the needs of the municipality through dedicated service managers.

### **2. Overdraft facilities:**

- **Daily aggregation of deposit accounts and cheque cashing facilities:**

### **3. The provision of interfaces between the bank's electronic system and the municipality to enable electronic reconciliations:**

- Provide electronic identification and reconciliation of counter deposits;

### **4. Electronic Banking:**

- Provide electronic bank statement the following day after deposits are made;

- Multilayered security enabling individual access to transfers and/or enquiries irrespective of physical with audit trail capabilities;
- Has the capacity in order for the municipality to identify and offer modular cash management functionalities;
- Must be able to operate as a house keeper if more than one banker is involved to facilitate the daily sweeping;
- Have predetermined electronic payments set up with standards payments details for both third party payments and internal transfers;
- Have adhoc electronic transferred for 3rd party payments and internal transfers;
- Has the ability to assist the municipality in applying limits to transactions and account and the monitoring thereof;
- Provide for deposit identification with electronic transfers and deposits, the number and type of characteristics should be supplied;
- Has the ability to supply information pertaining unpaid EFT or debit order collection for municipalities.
- Has the ability to transact electronically via the bank with suppliers of goods and services as and when required;
- Has the ability to pay salaries by way of compatible payroll system (VIP PAYROLL) directly into the employee's bank accounts via an EFT.
- A dedicated specialist Electronic-banking Manager should attend to the following: Ensure correct set up and optimization of the SAGE Evaluation (accounting system) structure;
- Identify all additional systems interface requirements for electronic statements and electronic fund transfers;
- Identify Cash Management, payments management and internet banking;
- Liaise with appropriate officials regarding interfaces into the municipality line of business application and MS Excel applications;
- Identify, in consultation with the municipality, all access levels, authorities, profiles and limits for officials requiring access to the electronic banking system;
- Attend to the legal documentation and the signing thereof;
- Formalize service level agreements incorporating back up procedures and processes particularly with regards to electronic funds transfers;
- Identify training requirements and arrange the necessary training in consultation with the municipality; and provide all user manuals.

## **5. Cell Phone Banking:**

One of the Municipality's ongoing strategies is to create a culture of payment amongst its residents. Please provide us with a proposal of how you could assist the Municipality with this drive using the facilities provided through Cell Phone Technology.

## **6. Reporting, Audit Trails and Queries:**

- Supply information of its ability to provide daily and monthly cash management reports and statements;
- Provide information as to what audit trails will be available in what form and how daily and ad-hoc queries will be addressed. Response time to supply statements should be stated;
- Indicate whether it can provide a breakdown of information of the bank charges and costs to allow the municipality to reconcile with proposal prices;
- Indicate any additional costs that are incurred with the supply of the information;

- Demonstrate executive reporting facilities to assist in the control and monitoring of accounts and exceptions reporting for amounts that exceed a specific limit and unusual patterns of spending.

**7. Non-financial and Additional Services:**

- General Advice;
- Bank Training for applicable municipality staff;
  - Risk Management.

**SPECIFIC REQUIREMENTS AND ISSUES:**

**8. Short Term Facilities required (if there is a cost involved for this service please include it in the Pricing Schedule)**

- The municipality from time to time will require either cash backed or non-cash backed guarantees from the Bank. Please ensure that there is a facility available at all times and give indicative rates for such facilities.
- The Proposal must also indicate what the pricing will be on positive or credit balances. Proposals may also consider proposing different rates for different levels of facilities and or balances.

**9. Custodian Services (if there is a cost involved for this service please include it in the Pricing Schedule)**

- Other safe custody services for material other than financial scrip must also be included in this section.

**10. Settlement Agent (if there is a cost involved for this service please include it in the Pricing Schedule)**

- The Bidder must indicate whether it is an official settlement agent of the Bond Exchange of South Africa.

**11. Other Services (If there is a cost involved for this service please include it in the Pricing Schedule. If the cost relating to this offering is for the Municipality or the Employee then this must be clearly stated on the pricing schedule)**

Please provide in detail any Tailor Made products and Services to employees of the Municipality amongst other the following:

- Group Schemes;
- Health Care Facilities;
- Vehicle Schemes;
- Retirement Funds and Other Insurance Scheme;
- Housing / Bond Facility;
- Financial Advisory Services; and
- Uniform / Corporate Dress schemes for Front Line Staff.

**12. Computer Systems and Technical Equipment (if there is a cost involved for this service please include it in the Pricing Schedule) :**

- provide a technical specification to enable the Bidder to interface with the computer systems of the Municipality;
- Any additional hardware that would be required to ensure that the Municipality's IT system functions effectively;
- The Communication Software that will be made available to allow the systems to link and talk to each other;
- Information on the connection protocol or service provider that the Bidder must subscribe to; Security assurance and confidentiality in connectivity between the Municipality and the Bidder;
- All IT related roles and responsibilities must be clearly outlined.

**13. Security Procedure and Insurance (if there is a cost involved for this service please include it in the Pricing Schedule):**

- Please provide information as to what security procedures are being followed to prevent fraudulent practices in terms of commerce, cheques, cash, etc;
- Please provide information as to what insurance arrangements are in place or should be put in place as part of the Proposal to protect the Municipality against any loss, and the cost thereof; Outline a plan to provide the Municipality's senior management and its employees with ongoing advice and training on fraud prevention and methods of detecting fraud;
- Advice and facilities to detect money-laundering activities.

**14. Training and Skills Transfer (if there is a cost involved for this service please include it in the Pricing Schedule):**

- The Municipality is continuously focusing on the skilling and the training of its Staff. The Bidder is required to provide the Municipality with a detailed proposal outlining a training strategy and plan with timeframes with regard to, among others, the following.
- Training that will be provided on the various banking products and facilities that will be used by the Municipality.
- Training of Front Line Staff
- Training on Customer Care, Cash Handling, Detection of fraud, etc.
- Continuous on-site training on the use of the Bidders electronic banking systems.

**15. Service Level Agreement:**

The Bidder must provide a pro forma copy of a service level agreement that will allow the Municipality to monitor the performance under the contract and have remedies on how best to solve the problem. When every avenue has been exhausted the Municipality may decide on its discretion to terminate the agreement.

The service level agreement must also indicate how costs and services are evaluated and adjusted on a regular basis.

**The quoted prices will be subject to a maximum annual increase in CPI, based on the proposed level of service.** Where the Bidders provide for a smaller adjustment, this should be clearly indicated in this manner. The Service Level Agreement shall be subject to scrutiny and negotiate with the Municipality.

### **16. Demonstrating financial stability and viability of The Bidder:**

- The Bidders must demonstrate in written submission the financial stability of their organisation for detailed evaluation. The Bidders are therefore obliged to furnish the Municipality with their latest credit rating report prepared by an independent credit rating agency.
- Bank contact centre numbers must be made available to place on all ads to encourage our customers to register for electronic banking to pay accounts.
- All payment points and other Centres identified where payment is made to be equipped with Debit Card Facilities.
- The Bidders must demonstrate in written submission the financial stability of their organisation for detailed evaluation. The Bidders are therefore obliged to furnish the Municipality with their latest credit rating report prepared by an independent credit rating agency.
- Bank contact centre numbers must be made available to place on all ads to encourage our customers to register for electronic banking to pay accounts.
- All payment points and other Centres identified where payment is made to be equipped with Debit Card Facilities.

### **17. Insured cash intransit solution**

- Bank must provide insured cash in transit for the duration of the contract.

### **18. Fleet Management Solution**

#### **The bank is required to provide a conclusive management solution**

- Services to help businesses manage their fleet effectively.
  - Realtime transaction notifications: Alerts for any transactions related to the fleet, ensuring businesses stay informed.
  - Detailed reports: Comprehensive reports that provide insights into fleet performance and operational efficiency.
  - Managed maintenance programs: Scheduling and authorizing maintenance to keep vehicles running smoothly.
  - Fleet cards: Tools for paying for fuel, oil, tolls, and repairs, often with a prepaid limit for fuel and maintenance costs.
  - Tracking and training: Services to monitor fleet operations and provide training for drivers.
  - Roadside assistance: Support for drivers in case of emergencies while on the road.
- These solutions are designed to reduce the cost of ownership, improve cash flow, and ensure the fleet operates efficiently.

### **19. Tracking Services**

The interested party must submit a proposal / quotation which must be able to:

- Install tracker on municipal fleet
- Detect and report if the vehicle is in an accident
- Be able to lock the speed and a buzzer or beep at 130 km/h which will alert the driver if he/she is driving over the speed limit “exclusion of for Executive vehicles”
- Detect the location, idling and speed of the vehicle

- Door sensor
- Driver ID Tag, (logbook functionality) and software for driver identification/programming
- Fuel cap sensor
- Fuel monitoring
- Rev monitoring
- Remote assist
- Battery disconnect sensor
- Vehicle immobilization functionality.
- Must be able to generate filtered reports on monthly usage eg. Exceeding of speed limits, exact physical address, daily logbook, driver daily/month tag report
- Vehicle recovery
- Cut off- the modem must have a cut off the idling/engine of the vehicle if it is unauthorized/deviating
- Live time SMS/EMAIL function notifying of any anomalies like speeding or batter disconnect
- Panic Button linked to a 24-hour call centre
- Tracking devices must be signal jammer proof, anti-jamming RF capable and notify whenever there is power loss or tamper detection
- Unit maintenance and unit repairs for the duration of the contract.
- Unit tampering notification
- Back-up device must be included
- Be able to detect impact
- Vehicle stolen recovery and response
- The system must be able to provide functionality for the tracking of vehicle maintenance, annual vehicle licensing reminders and driver license expiration reminders. The system must disable an active if the driver's license has expired.
- System update must not be longer than 60 seconds.

**The proposal must clearly provide evidence:**

- (i) that vehicle tracking products are tested for compliance against accepted international standards,
- (ii) that the installation methods used are safe and do not damage the interior of the vehicle.
- (iii) that the installations are correct and in line with the VESA installation standards as far as people and vehicle integrity and security are concerned,
- (iv) that the unit can do an automated daily health check, where the consumer is notified the moment, the system no longer is operational,
- (v) of successful recovery statistics,
- (vi) of the applications software used (indicating whether web based or other) and mobile phone compatibility indicating what the maximum number of users is, categorization of user rights.
- (vii) Johannes Phumani Phungula Municipality must have access to historical vehicle log data for up to 60 months

**BELOW IS THE LIST OF MUNICIPAL VEHICLES AND MAY INCLUDE NEW ADDITIONAL VEHICLES**

**Pricing to include any escalation fees for the outer years**

<b>VEHICLE DESCRIPTION</b>	<b>NUMBER OF FLEET</b>	<b>(Cost per car) Initial set up fees if applicable</b>	<b>(Cost per car) Outright purchase of the device per vehicle (option 1)</b>	<b>(Cost per car) Rental of the device per vehicle per month (option 2)</b>	<b>(Cost per car) Removal or transfer fees of the device if applicable e.g. if the vehicle is sold or written off</b>
<b>TRACTORS</b>	<b>3</b>				
<b>MOTOR VEHICLES</b>	<b>33</b>				
<b>HEAVY DUTY VEHICLES</b>	<b>11</b>				
<b>MOBILE PLANT</b>	<b>5</b>				
<b>TRAILERS</b>	<b>4</b>				
Training and support fees per user (if applicable) – currently we have 3 users					
<b>TOTAL</b>	<b>56</b>				

## **20. Social Responsibilities:**

Please outline in detail your contribution to Social Development making reference to amongst others the following:

- Community Development Initiatives
- Community Projects
- Corporate Social Investment
- SMME access to finances particularly targeted to geographical area of Johannes
- Financing initiatives to the lower income groups
- Enterprise Development
- Empowerment Financing
- Education
- Job Creation
- Community Based HIV/AIDS Programme
- **Broad Based Economic Empowerment and Employment Equity:**

Please outline in detail you overall BEE STRATEGY, BEE IMPLEMENTATION PLAN AND PROGRAM

**4. DOCUMENTATION AND INFORMATION RELATED TO THE BRIEF**

Any information available at Johannes Phumani Phungula Local Municipality will be provided to the service provider.

Ownership of factual information, collected by the service provider and paid for by the Municipality shall vest with the Municipality. Electronic version of the information should be supplied to the Municipality.

**5. IMPLEMENTATION SCHEDULE**

The service provider will be responsible for the compilation of the “Project Programme”, detailing activities and time frames for provision of the Terms of Reference. This should be provided to Johannes Phumani Phungula Local Municipality within a week of appointment and presented to the Project Manager.

Any deviation from the accepted Programme should be pre-negotiated with the Municipality.

**6. SCHEDULE OF FEES (Pricing to include any escalation fees for the outer years)**

<b>Bidders must be transparent in all their pricing. Please provide us with a detailed list of your pricing quoting prices including VAT for the criteria listed below:</b>	
<b>Services Required</b>	
<b>Monthly Account fee</b>	
<b>Cash deposit fee</b>	
<b>Cash handling fee</b>	
<b>Cash in transit fee (cash in transit facility - indicate monthly fee and frequency)</b>	
<b>Electronic Subscription Services</b>	
<b>Supply of deposit books and deposit slips</b>	
<b>Cash deposit errors</b>	
<b>Audit confirmation letters / certificates</b>	
<b>Returned/ Disputed debit order</b>	
<b>Download bank statements</b>	

<b>Hard copies of historic information requested</b>	
<b>Deposit error corrections reported within 48 hours</b>	
<b>EFT facility to effect salary payments</b>	
<b>Charges relating to users password forgotten or reactivation of users / password reset.</b>	
<b>Statement Fees</b>	
<b>Cancellation of debit orders</b>	
<b>Query of unknown deposits</b>	
<b>Electronic Funds Transfer (EFT)</b>	
<b>Rejection of incorrect beneficiary/customer account/ reference numbers</b>	
<b>Daily and monthly cash management reports and/or statements</b>	
<b>Special Clearance</b>	
<b>Charge for transactions exceeding R5 million</b>	
<b>Maintenance, Support and Training</b>	
<b>Training per Delegate</b>	

9.3.2.1	Number of vehicles with fuel limit of R..... per month	.... vehicles (volume and description)
9.3.2.2	Number of vehicles with no fuel limit per month	
9.3.2.3	Number of other vehicles with fuel limit of R....	
9.3.2.4	Additional Vehicles that may be procured within the duration of this tender	

**NB: A full list of all rates charged in addition to the above must also be attached to the Bid Document.**

For the sake of calculating total bid price, service providers are required to complete this page using values below. Use of actual rate on the examples below, e.g if EFT Rate is or percentage is required on this page.

Including VAT for the criteria listed below:	
Monthly Account fee (if applicable)	
Cash Deposit fee (Rate)	
<b>EXAMPLE AT R200 000.00</b>	
Electronic Subscription Services	
<b>EXAMPLE</b>	
<b>BUSINESS BANKING – ACCESS FEE PER USER</b>	
<b>EXAMPLE FOR 6 USERS</b>	
Supply of deposit books and deposit slips	
<b>EXAMPLE FOR 2 BOOKS</b>	
EFT Facility to effect salary payments	
<b>EXAMPLE FOR 500 TRANSACTIONS</b>	
Electronic Funds Transfer (EFT) (For other payments)	
<b>EXAMPLE FOR 1500 TRANSACTIONS</b>	
Speedpoint merchant-Commission Paid	
<b>EXAMPLE FOR R50 000</b>	
Total Bid Price	

**\*failure to complete this page will render your bid incomplete and the bid will be deemed as non-response**

## **7. FORMAT FOR SUBMISSION FOR THE PROVISION OF BANKING SERVICES TO THE JOHANNES PHUMANI PHUNGULA MUNICIPALITY**

- Proposed format for submission
- Information and background
- Employment equity and employment profile
- Solutions to services required as per tender specifications

## **8. PRICING/ COST STRUCTURE**

- Standard prices (schedule to be attached)
- Transitional costs
- Corporate Social Investment

## **9. FURTHER REQUIREMENTS FOR THE PROVISION OF BANKING SERVICES TO THE JOHANNES PHUMANI PHUNGULA MUNICIPALITY**

- All Bidders must be registered in terms of the Bank Act 1990, Act 94 of 1990. Proof of registration to be provided. Failure to provide proof of registration will result in the proposal not being considered.
- Short listed bidders will be required to make a presentation prior to an award being made to Johannes Management
- Understanding of the service and context.
- Infrastructural constraints (i.e. footprints/ branch network)
- Relevant Experience in terms of the service required
- Key individual of the Relationship Management team (C.V of the manager / operators of the service) Financial standing and access to Capital
- Clear legal Structure / Shareholding of internal reward and risk sharing for the project.
- Level of Capital / Cash flow required for this project funded through equity / loans (min 30% from own resources).
- Relationship Management Team
- Proof of Registration in terms of the Bank Act and Financial Service Board
- Proof of membership of Payments Association and Credit Clearance House
- Memorandum or articles of association and / corporate registration documents
- Confirmation of shareholders ' funds as at to date of the last financial year (extract of the Audited AFS)
- Proof of fidelity cover
- Contactable reference
- The contract is for a period of 5 years

## **10. PROJECT COST AND PRICING SCHEDULES**

It is the intention of the Johannes Phumani Phungula Local Municipality to enter into a formal contract with a service provider that will carry out the services described hereunder. These Terms of Reference and the service provider's proposal will form the basis of the contract.

## **11. SELECTION CRITERIA**

The following criteria in conjunction with accepted procurement criteria will be applied during the evaluation of the proposal to the Johannes Municipality

- (a) **COMPULSORY PRESENTATION WILL BE PART OF THE EVALAUTION OF BIDS**

**Bidders will be informed of the Specific Date**

**(b) EVALUATION CRITERIA**

**Bidders are required to demonstrate their ability to undertake the work and provide proof of experience, personnel and financial ability to undertake work of this nature.**

**Bidders are required to score a minimum of 70 points in order to proceed to the second stage).**

**Bid offers that fail to score the minimum number of points for the first stage shall be rejected. The onus rests with the bidders to supply sufficient information to allow for the proper scoring, evaluation and award of points.**

**Functionality points shall be awarded in accordance with the following.**

<b>Criteria</b>	<b>Point allocation</b>	
<b>Capacity</b>		<b>60</b>
Attach proof of Shareholders Fund	5	
Proof of Three year audited Financial statement	10	
Proof of registration Bank Act 94 of 1990, as per Section 7 3(b) of the MFMA Act no 56 of 2003.	10	
Proof of Local Ixopo branch Facility	10	
CV with 5 years' experience on Business Banking with Finance related Qualification for Relationship management team (at least two members )	10 (5 points per CV)	
Attach proof of membership of payment association and credit clearance House	5	
Community Engagement works	5	
Proof of Fidelity Cover	5	
<b>Experience</b>		<b>30</b>
6 points per recommendation letter for the provision of banking services (for government institutions)(Attach signed letters)	30	
<b>Methodology</b>		<b>10</b>
Compliance with terms of reference	10	

➤ **Second stage – Financial offer and Preference**

The procedure for evaluation of responsive Bid Offers will be Price and B-BBEE Status Level of Contribution. 80/ 20 preference points system will be used for this document. However, in case of two or more bids scored equal points. The rule under MBD 6.1 (3) will apply.

## **12. SERVICE LEVEL AGREEMENT**

A bidder will be required to sign a contract which outlines agreement of the activities to be undertaken for each component of the project, required deliverables, remuneration, mutual delegations and terms of reference.

## **13. REQUIRED BIDDERS PROFILE**

Payment will be done according to deliverables.

## **14. PERIOD/ DURATION OF THE PROJECT**

The appointed service provider expected to enter into a Service Level Agreement for a period of 60 (sixty) months.

The successful bidder shall ensure to deliver the services up to the required standard, failing which, the reasons for failing to deliver will be evaluated and the outcome of the evaluation may lead to either of the following decisions by the Municipality:

- Extension of Contract Period, or
- Adjustment on Price, or
- Termination of Contract

The contract between Johannes Phumani Phungula Municipality and the successful bidder shall officially commence from the date of signing the Service Level Agreement relating to the appointment of Service Providers which will be signed between the service provider and the Municipality.

## **15. FEATURES REQUIRING SPECIAL ATTENTION**

All Annexure to these Terms of Reference that require completion by the bidder must be completed in full and returned with the bid. Failure to do so may disqualify the bid.

## **16. TERMS AND CONDITIONS OF THE PROPOSAL**

Appointment will be made in terms of the JPPLM Council's Supply Chain Management Policy.

## **17. NON-APPOINTMENT**

The Johannes Phumani Phungula Municipality reserves the right not to make an appointment should it find that bidding parties do not meet the specified criteria.

## 18. COMPLETION

Projects will not be taken over by the Employer or paid for unless the applicable reports have been correctly completed and submitted to the Employer.

## 19. COURTESY

In dealings with the municipal internal structures, the bidder is required to deal with discussions and disputes with deliberate courtesy and understanding, in close liaison with the Municipality.

Prior to the commencement of works, the successful bidder shall arrange through the office of the JOHANNES PHUMANI PHUNGULA MUNICIPALITY and/or the appointed Project/Programme Manager to be introduced to the appropriate Municipal structures and to be briefed upon any sensitivities that need to be observed.

## 20. GENERAL

Tender offers will only be accepted on condition that:

- a) **The tenderer is required to submit a soft copy via USB and it must be attached and submitted together with the document.**
- b) The tender offer is signed by a person authorized to sign on behalf of the Tenderer
- c) A Tenderer who submitted tenders as joint venture has included an acceptable Joint Venture Agreement with his tender.
- d) Valid BBBEE certificate or a sworn affidavit
- e) The Tenderer or any of its principals, directors or managers is not employed by the state or any municipality.
- f) Quotation/ proposal must be on a company letterhead
- g) Bids submitted are to hold good for a period of 90 (ninety) days and must be inclusive of VAT,
- h) The enclosed forms MBD 4, MBD 6.1, MBD, MBD 8 & MBD 9 must be scrutinized, completed and submitted together with your Bid.
- i) **NB: No Bid will be considered from persons in the service of the state**
- j) Proof of company registration
- k) A valid tax clearance certificate is included with this tender or tax compliance status with the pin.
- l) In case of a bidder owning a property , they must provide a municipal statement confirming status of municipal accounts not older than 3 months ( Bidders must not be in arrears for more than 90 days)
- m) In case of a bidder leasing the property, they must attach a lease agreement & letter from landlord stating that rent is up to date. The letter must not be older than 3 months.
- n) In case of the bidder operating in an area that doesn't pay rates, they must attach a sworn affidavit stating that rates are not paid in that area. The affidavit must not be older than 3 months.
- o) If the bidder is staying with parents, spouse or any family relative in an area where rates are paid (an affidavit from the bidder or signed letter from the property owner stating that the bidder is not responsible for municipal accounts must be attached). Affidavit or letter must not be older than 3 months
  - p) Company Profile and experience on similar projects (previous work completed with contact details of references)
  - q) CVs of relevant team members
  - r) Certified proof of qualifications

- s) Certified proof of professional registration (where applicable)
  - t) Proposed Implementation Plan and Item Duration
  - u) Outline of methodology
  - v) Form of Proposal Offer
- w)
- x) The Tenderer or any of its principles is not listed on the register of Tender Defaulters in terms of the Prevention and Combating of Corrupt Activities Act of 2004 as a person prohibited from doing business with public sector.
- y) The tenderer has not abused the Employers' Supply Chain Management System or has failed to perform on any previous contract and has been given a written notice to this effect; and
- z) The Employer is satisfied that the Tenderer or any of his principles has not influenced the tender offer and acceptance by the following criteria:
- Having offered, or promised or given a bribe or other gift remuneration to any person in connection with the obtaining or execution of this Contract.
  - Having acted in fraudulent or corrupt manner in obtaining or executing of this contract.
  - Having approached an officer or employee of the Employer or the Employers' Agent with the objective of influencing the award of a Contract in the Tenders' favors
  - Having entered into any agreement or arrangement, whether legally binding or not, with any other person, firm or company to refrain from Tendering for this Contract or as to the amount of the Tender to be submitted by either party; and
  - Having disclosed to any other person, firm or company other than the Employer, the exact or approximate amount of his proposed Tender.

In the event of any of the above, the Municipality may, in addition to using any other legal remedies, repudiate the Tender offer and acceptance and declare the Contract invalid should it have been concluded already.

- h) The Johanness Phumani Phungula Municipal Supply Chain Management Policy shall apply;
- i) The council does not bind itself to accept the lowest or any Bid and reserves the right to accept the Bid as whole or in part, at the rates quoted

**FAILURE TO COMPLY WITH THE ABOVE CONDITIONS IN ALL RESPECTS WILL RESULT IN THE TENDER BEING DEEMED NON-RESPONSIVE. IF THE PRICE OFFERED IS NOT MARKET RELATED, THE MUNICIPALITY MAY NOT AWARD THE CONTRACT TO THAT TENDERER AND MAY NEGOTIATE FOR MARKET RELATED PRICE WITH THE TENDERER, FAILING WHICH, NEGOTIATE WITH THE NEXT PREFERRED TENDERER OR TENDER MAY BE CANCELLED.**

## 21. DOCUMENTATION

The proposal document submitted must include all the information deemed necessary to evaluate your submission on the bases stipulated in this document. **The additional forms appended to this document must also be included in the submission.**

This document may be detached and re-bound to ensure neatness and to also avoid the risk of accidentally losing of loose sheets. In the process of doing that, please be careful not to lose any of the pages of this document because should that be the case, your proposal may be regarded as incomplete

**RELEVANT EXPERIENCE**

The Bidder shall enter in the spaces provided below a list of relevant recent experience

Employer (Name, Tel. No. or Fax No.)	Details of Project (Attach ref letters)	Value of Work (fees)	Year

### CERTIFICATE OF AUTHORITY

Indicate the status of the Tenderer by ticking the appropriate box hereunder. The Tenderer must complete the certificate set out below for the relevant category.

<b>(I) COMPANY</b>	<b>(II) CLOSE CORPORATIO N</b>	<b>(III) PARTNERSHIP</b>	<b>(IV) JOINT VENTURE</b>	<b>(V) SOLE PROPRIETOR</b>

**(I) CERTIFICATE FOR COMPANY**

I, ....., chairperson of the Board of Directors of  
 ....., hereby confirm that by resolution of the Board (copy attached) taken  
 on ..... 20.....,

Mr./Ms .....,acting in the capacity of  
 ....., was authorised to sign all documents in connection with this  
 tender and any contract resulting from it on behalf of the company.

**Chairman:** .....

**As Witnesses:** 1.....  
 2.....

**Date:** .....

**(II) CERTIFICATE FOR CLOSE CORPORATION**

We, the undersigned, being the key members in the business trading as .....  
 ..... hereby authorise Mr./Ms .....,  
 acting in the capacity of ....., to sign all  
 documents in connection with the tender for Contract No ..... and  
 any contract resulting from it on our behalf.

NAME	ADDRESS	SIGNATURE	DATE

**Note :** *This certificate is to be completed and signed by all of the key members upon whom rests the direction of the affairs of the Close Corporation as a whole.*

**(III) CERTIFICATE FOR PARTNERSHIP**

We, the undersigned, being the key partners in the business trading as,

.....

hereby authorise Mr./Ms .....

acting in the capacity of ....., to sign all

documents in connection with the tender for Contract No ..... and any

contract resulting from it on our behalf.

NAME	ADDRESS	SIGNATURE	DATE

*Note : This certificate is to be completed and signed by all of the key partners upon whom rests the direction of the affairs of the Partnership as a whole.*

**(IV) CERTIFICATE FOR JOINT VENTURE**

We, the undersigned, are submitting this tender offer in Joint Venture and hereby authorize Mr./Ms

....., authorized signatory of the company, .....

.....acting in the capacity of lead partner, to sign all documents in connection with the

tender offer for Contract No .....and any contract resulting from it on our behalf.

This authorization is evidenced by the attached power of attorney signed by legally authorized signatories of all the partners to the Joint Venture.

NAME OF FIRM	ADDRESS	AUTHORISING SIGNATURE, NAME AND CAPACITY
Lead partner		

*Note : This certificate is to be completed and signed by all of the key partners upon whom rests the direction of the affairs of the Partnership as a whole.*

**(V) CERTIFICATE FOR SOLE PROPRIETOR**

I, ....., hereby confirm that I am the sole owner of the business trading as

.....

**Signature** of Sole owner: .....

As Witnesses:

1.....

2. ....

Date: .....

**COMPULSORY ENTERPRISE QUESTIONNAIRE**

The following particulars must be furnished. In the case of a joint venture, separate enterprise questionnaires in respect of each partner must be completed and submitted.

**Section 1. Name of enterprise:** \_\_\_\_\_

**Section 2. VAT registration number, if any:** \_\_\_\_\_

**Section 3. CIDB registration number, if any:** \_\_\_\_\_

**Section 4. Particulars of sole proprietors and partners in partnerships.**

Name*	Identity number*	Personal income tax number*

\* Complete only if sole proprietor or partnership and attach separate page if more than three partners.

**Section 5. Particulars of companies and close corporations**

Company registration number: \_\_\_\_\_

Close corporation number: \_\_\_\_\_

Tax reference number: \_\_\_\_\_

**Section 6. Record in the service of the state**

Indicate by marking the relevant boxes with a cross, if any sole proprietor, partner in a partnership or director, manager, principal shareholder or stakeholder in a company or close corporation is currently or has been within

Name of spouse, child or parent	Name of institution, public offices, board or organ of state and position held	Status of service (tick appropriate column)	
		Current	Within last 12 months

the last 12 months in the service of any of the following:

- a member of any municipal council
- a member of any provincial legislature
- a member of 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 provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act 1 of 1999)
- a member of an accounting authority of any national or provincial public entity
- an employee of Parliament or a provincial legislature

If any of the above boxes are marked, disclose the following\*:

\* Insert separate page if necessary.

#### **Section 7. Record of spouses, children and parents in the service of the state**

Indicate by marking the relevant boxes with a cross, if any spouse, child or parent of sole proprietor, partner in a partnership or director, manager, principal shareholder or stakeholder in a company or close corporation is currently or has been within the last 12 months in the service of any of the following:

- a member of any municipal council
- a member of any provincial legislature
- a member of 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
- an employee of any provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act 1 of 1999)
- a member of an accounting authority of any national or provincial public entity
- an employee of Parliament or a provincial legislature entity.



Register of Tender Defaulters established in terms of the Prevention and Combating of Corrupt Activities Act of 2004;

- iii. confirms that no partner, member, director or other person, who wholly or partly exercises, or may exercise, control over the enterprise, has within the last five years been convicted of fraud or corruption;
- iv. confirms that I/we am/are not associated, linked or involved with any other tendering entities submitting tender offers and have no other relationship with any of the tenderers or those responsible for compiling the scope of work that could cause or be interpreted as a conflict of interest; and
- v. confirms that the contents of this questionnaire are within my personal knowledge and are to the best of my belief both true and correct.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Enterprise name: \_\_\_\_\_

**RECORD OF ADDENDUM TO TENDER DOCUMENTS**

I / We confirm that the following communications received from the Employer or his representative before the date of submission of this tender offer, amending the tender documents, have been taken into account in this tender offer.

ADD. No	DATE	TITLE OR DETAILS
1		
2		
3		
4		
5		

SIGNATURE: ..... DATE .....

*(of person authorised to sign on behalf of the Tenderer)*

# **RETURNABLE DOCUMENTS**

**DETAILED CSD REPORT**

- **IN CASE OF A BIDDER OWNING A PROPERTY, THEY MUST PROVIDE A MUNICIPAL STATEMENT IN CASE OF A BIDDER OWNING A PROPERTY, THEY MUST PROVIDE A MUNICIPAL STATEMENT CONFIRMING STATUS OF MUNICIPAL ACCOUNTS NOT OLDER THAN 3 MONTHS (BIDDERS MUST NOT BE IN AREAS FOR MORE THAN 3 MONTHS. (BIDDER MUST NOT BE IN AREAS FOR MORE THAN 90 DAYS)**
  
- **IN CASE OF A BIDDER LEASING THE PROPERTY, THEY MUST ATTACH A LEASE AGREEMENT AND LETTER FROM LANDLORD STATING THAT RENT IS UP TO DATE- LETTER MUST NOT BE OLDER THAN 3 MONTHS**
  
- **IN CASE OF THE BIDDER OPERATING IN RURAL AREAS AND THEY DON'T PAY FOR MUNICIPAL SERVICES, THEY MUST ATTACH A SWORN AFFIDAVIT STATING THAT RATES ARE NOT PAID IN THAT AREA- AFFIDAVIT MUST NOT BE OLDER THAN 3 MONTHS**
  
- **IF THE BIDDER IS STAYING WITH PARENTS, SPOUSE OR ANY FAMILY RELATIVE IN AN AREA WHERE RATES ARE PAID (AN AFFIDAVIT FROM THE BIDDER OR SIGNED LETTER FROM THE PROPERTY OWNER STATING THAT THE BIDDER IS NOT RESPONSIBLE FOR MUNICIPAL ACCOUNTS MUST BE ATTACHED. AFFIDAVIT OR THE LETTER MUST NOT BE OLDER THAN 3 MONTHS**

**PROOF OF COMPANY REGISTRATION DOCUMENTS**

**BBEE/ SWORN AFFIDAVIT**

# **TAX CLEARANCE CERTIFICATE & VERIFICATION PIN**

**DETAILED PRICE QUOTATION  
(FAILURE TO ATTACH A DETAILED PRICE QUOTATION WILL  
RENDER YOUR TENDER NON-RESPONSIVE)**

# **MBD FORMS**

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

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

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

3.9.1 If yes furnish particulars

.....  
.....

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

3.10.1 If yes, furnish particulars.

.....  
.....

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

3.11.1 If yes, furnish particulars

.....  
.....

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

3.12.1 If yes, furnish particulars.

.....  
.....

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

3.13.1 If yes, furnish particulars.

.....  
.....

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

3.14.1 If yes, furnish particulars:

.....  
.....



## MBD 6.1

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

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

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

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#### 1. GENERAL CONDITIONS

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

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

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

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

- a) The applicable preference point system for this tender is the ~~90/10~~ preference point system.
- b) The applicable preference point system for this tender is the ~~90/10~~ preference point system.
- c) Either the ~~90/10 or 80/20 preference point system~~ will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

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

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

1.4 **To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

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

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

1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any

time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

## 2. DEFINITIONS

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

## 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1. POINTS AWARDED FOR PRICE

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

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

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

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:

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

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 (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)	Documents required for verification
<b>GOAL 1 - Ownership – Maximum points</b>	<b>10</b>		
Business owned more than 50% by black person	5		ID copy of Director/Owner and CSD
Business owned less than 50% by black person	2		ID copy of Director/Owner and CSD
Business owned more than 50% by black women	5		ID copy of Director/Owner and CSD

Business owned more than 50% by black youth	5		ID copy of Director/Owner and CSD
Business owned more than 50% by disabled person/military veteran	2		Certificate from doctor/ Certificate of being a military veteran
<b>GOAL 2 – RDP – Maximum points</b>	<b>10</b>		
Promotion of Business falls under the SMME category – QSE/EME	2		B-BBEE Certificate / Sworn Affidavit
Promotion of business located within KZN province	2		CSD and Proof of municipal accounts/ affidavit
Promotion of business located in South Africa outside KZN Province	1		CSD and Proof of municipal accounts/ affidavit
Promotion of business located within Harry Gwala District	2		CSD, Proof of municipal accounts/ affidavit and proof of residence signed by a councilor/ Inkosi/ Induna not older than 3 months
Promotion of business located within JOHANNES PHUMANI PHUNGULA MUNICIPALITY	8		CSD, Proof of municipal accounts/ affidavit and recommendation letter signed by ward councilor (not older than 3 months)

#### DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One-person business/sole propriety
- Close corporation
- Public Company
- Personal Liability Company
- (Pty) Limited
- Non-Profit Company
- State Owned Company

[TICK APPLICABLE BOX]

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

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

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

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

**DATE:** .....

**ADDRESS:** .....

.....

.....

**1 DECLARATION OF BIDDER’S PAST SUPPLY CHAIN MANAGEMENT PRACTICES**

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

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

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

**CERTIFICATION**

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

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

.....  
**Signature**

.....  
**Date**

.....  
**Position**

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

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

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

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

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

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

\_\_\_\_\_  
(Bid Number and Description)

in response to the invitation for the bid made by:

\_\_\_\_\_  
(Name of Municipality / Municipal Entity)

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

I certify, on behalf of: \_\_\_\_\_ that:  
(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word “competitor” shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - (a) has been requested to submit a bid in response to this bid invitation;
  - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

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

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

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

.....  
**Signature**

.....  
**Date**

.....  
**Position**

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

**FORM OF OFFER AND ACCEPTANCE**

*Offer*

The employer, identified in the acceptance signature block, has solicited offers to enter into a contract for the procurement of: **PROVISION OF BANKING SERVICES (INCLUDING CONCLUSIVE FLEET MANAGEMENT SOLUTION, TRACKER & CASH IN TRANSIT) FOR A PERIOD OF 60 MONTHS.**

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

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

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

.....  
.....  
.....  
.....Rand (in words);

R..... (In figures)

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

Signature \_\_\_\_\_

Name \_\_\_\_\_

Capacity \_\_\_\_\_

For the  
Tenderer \_\_\_\_\_

(Name and address of organization)

Name and Signature of

Witness \_\_\_\_\_ Date \_\_\_\_\_

**Acceptance**

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

The terms of the contract, are contained in:

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

The tenderer shall within two weeks after receiving a completed copy of this agreement, including the schedule of deviations (if any), contact the employer's agent (whose details are given in the contract data) to arrange the delivery of any bonds, guarantees, proof of insurance and any other documentation to be provided in terms of the conditions of contract identified in the contract data at, or just after, the date this agreement comes into effect. Failure to fulfil any of these obligations in accordance with those terms shall constitute a repudiation of this agreement.

Notwithstanding anything contained herein, this agreement comes into effect on the date when the tenderer receives one fully completed original copy of this document, including the schedule of deviations (if any). Unless the tenderer (now contractor) within five days of the date of such receipt notifies the employer in writing of any reason why he cannot accept the contents of this agreement, this agreement shall constitute a binding contract between the parties. The Employer may elect to Accept the offer in correspondence from the office of the Municipal Manager.

Signature(s)

\_\_\_\_\_

Name(s)

\_\_\_\_\_

Capacity

\_\_\_\_\_

for the  
Employer

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

Name and Signature of

Witness \_\_\_\_\_ Date \_\_\_\_\_

**Schedule of Deviations**

**Notes:**

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

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

Details

\_\_\_\_\_

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

Details

\_\_\_\_\_

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

Details

\_\_\_\_\_

4. Subject

---

Details

---

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

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

**For the tenderer:**

Signature(s)

---

Name(s)

---

Capacity

---

---

(Name and address of organization)

Name and  
Signature of

Witness

---

Date

---

**For the Employer**

Signature(s)

---

Name(s)

---

Capacity

---

---

(Name and address of organization)

Name and Signature of

Witness \_\_\_\_\_ Date \_\_\_\_\_

# **GENERAL CONDITIONS OF CONTRACT**

# **THE NATIONAL TREASURY**

**Republic of South Africa**



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

**July 2010**

**GOVERNMENT PROCUREMENT**  
**GENERAL CONDITIONS OF CONTRACT**  
**July 2010**

**NOTES**

The purpose of this document is to:

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

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

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

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## General Conditions of Contract

### 1. Definitions

1. The following terms shall be interpreted as indicated:
  - 1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
  - 1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
  - 1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
  - 1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
  - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
  - 1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
  - 1.7 “Day” means calendar day.
  - 1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.
  - 1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.
  - 1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
  - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

- 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such

obligations of the supplier covered under the contract.

1.25 “Written” or “in writing” means handwritten 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, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

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

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

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

3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from [www.treasury.gov.za](http://www.treasury.gov.za)

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

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

5.2 The supplier shall not, without the purchaser’s prior written consent, make use of any document or information mentioned in GCC clause

5.1 except for purposes of performing the contract.

5.3 Any document, other than the contract itself mentioned in GCC clause

5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier’s performance under the contract if so required by the purchaser.

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

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

**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 in SCC.

**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 supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 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 supplies 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 supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6    Supplies 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 supplies may on or after delivery be inspected, tested or

analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies 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 supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

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

- a. 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, specified in SCC, and in any subsequent instructions ordered by the purchaser.

#### **10. Delivery and documents**

10.1 Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.

10.2 Documents to be submitted by the supplier are specified in SCC.

**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 in the SCC.

**12. Transportation** 12.1 Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC.

#### **13. Incidental services**

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

- (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 in SCC, 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 in SCC.

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

in SCC 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 in SCC, 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 in SCC.

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

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

16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

**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 in SCC or in the purchaser's request for bid validity extension, as the case may be.

**18. Contract amendments**

18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

**19. Assignment**

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

**20. Subcontracts**

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

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

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

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

21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department,

provincial  
department, or a  
local authority.

21.4 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 supplies are required, or the supplier's services are not readily available.

21.5 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

21.2 without the application of penalties.

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without canceling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

## **22. Penalties**

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

## **23. Termination for default**

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

- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- (b) if the Supplier fails to perform any other obligation(s) under the contract; or
- (c) if the supplier, in the judgment 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 intended penalty as not objected against and may impose it on the supplier.

23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, 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 Accounting Officer / Authority actively associated.

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

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

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

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

#### **24. Anti-dumping and countervailing duties and rights**

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

may be due to him

#### **25. Force Majeure**

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

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

**26. Termination for insolvency**

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

**27. Settlement of Disputes**

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

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

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

27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

**28. Limitation of liability**

27.5 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.

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 in SCC.

**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 the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

**33. National Industrial Participation (NIP) Programme**

33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

**34 Prohibition of Restrictive practices**

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

34.2 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 the Competition Act No. 89 of 1998.

- 34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

### **34. Anti-dumping and countervailing duties and rights**

34.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which

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