

uPHONGOLO MUNICIPALITY



**SERVICES PROVIDER FOR THE SUPPLY, INSTALLATION AND MANAGEMENT OF STS COMPLIANT SMART
ELECTRICITY METERS FOR A PERIOD OF 36 MONTHS.
TENDER NO:706/02/23**

NAME OF THE COMPANY	
BID AMOUNT:	EXCL. OF VAT INCL. OF VAT
PHYSICAL ADDRESS	
POSTAL ADDRESS:	
CONTACT NUMBER	
FAX NUMBER:	
CLOSING DATE:	

The Municipal Manager
uPHONGOLO Municipality
PO BOX 191
PHONGOLO
3170

INVITATION TO BID

YOU ARE HEREBY INVITED TO SUBMIT YOUR TENDER FOR SERVICES PROVIDERS TO SUPPLY, INSTALL AND MANAGE SMART ELECTRICITY METERS FOR A PERIOD OF 36 MONTHS:

BID NUMBER: _____ CLOSING DATE: _____ CLOSING TIME: 12H00

DESCRIPTION: SERVICES PROVIDER FOR THE SUPPLY, INSTALLATION AND MANAGEMENT OF SMART ELECTRICITY METERS FOR A PERIOD OF 36 MONTHS.

The successful bidder will be required to fill in and sign a written Contract Form (MBD 7).

BID DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT THE RECEPTION AREA AT **61 MARTIN STREET, UPHONGOLO 3170.**

Bidders should ensure that bids are delivered to the correct address. If the bid is late, the document will not be accepted for consideration.

The bid box is generally open 24 hours a day, 7 days a week.

ALL TENDERS MUST BE SUBMITTED ON THE OFFICIAL FORMS – (NOT TO BE RE-TYPED)

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

NB: NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE (as defined in Regulation 1 of the Local Government: Municipal Supply Chain Management Regulations)

**THE FOLLOWING PARTICULARS MUST BE FURNISHED
(FAILURE TO DO SO MAY RESULT IN YOUR BID BEING DISQUALIFIED)**

NAME OF BIDDER:

POSTAL ADDRESS:

STREET ADDRESS:

TELEPHONE NUMBER:

CODE.....NUMBER.....

CELLPHONE NUMBER:

FACSIMILE NUMBER:..... CODE NUMBER.....

E-MAIL ADDRESS:.....

VAT REGISTRATION NUMBER.....

HAS AN ORIGINAL AND VALID TAX CLEARANCE CERTIFICATE BEEN ATTACHED? (MBD 2)
YES/NO

HAS A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE BEEN SUBMITTED? (MBD 6.1)
YES/NO

IF YES, WHO WAS THE CERTIFICATE ISSUED BY?

AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)

☐

A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN NATIONAL ACCREDITATION SYSTEM (SANAS)

☐

A REGISTERED AUDITOR

☐

(Tick applicable box)

ARE YOU THE ACCREDITED REPRESENTATIVE?
IN SOUTH AFRICA FOR THE GOODS/SERVICES/WORKS OFFERED? YES/NO (IF YES ENCLOSE PROOF)

SIGNATURE OF BIDDER.....

DATE.....

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

TOTAL BID:

TOTAL NUMBER OF ITEMS OFFERED.....

ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:

Municipality: uPhongolo Local Municipality

Department: Supply Chain Management

Contact Person: Mr MS Mtshali

Tel: 034 413 1223 Ext 120

ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:

Contact Person: Mr S Mtshali or Mr MB Ndlovu'

Tel: 034 413 1223

Fax: 034 413 1706

INVITATION TO TENDER

TENDER NUMBER: 706/02/23

SERVICES PROVIDER FOR THE SUPPLY, INSTALLATION AND MANAGEMENT OF SMART ELECTRICITY METERS FOR A PERIOD OF 36 MONTHS.

uPhongolo Local Municipality is hereby inviting prospective and qualified SERVICES PROVIDER FOR THE SUPPLY, INSTALLATION AND MANAGEMENT OF SMART ELECTRICITY METERS FOR A PERIOD OF 36 MONTHS as per specification attached in the tender document.

Bidders will be able to get the Bid documents on our Municipal website as from 2nd of May 2023.

Acceptable bids will be initially evaluated base on price on the basis of 80 points financial offer and 20 points for meeting **Specific Goals**. After the closing date the tender will be valid for 90 days.

Bids are to be completed in accordance with the conditions and bid rules contain in the tender document and supporting documents must be placed in a sealed envelope and clearly marked “**SERVICES PROVIDER FOR THE SUPPLY, INSTALLATION AND MANAGEMENT OF SMART ELECTRICITY METERS FOR A PERIOD OF 36 MONTHS**”, must be deposited in the tender box at ground floor, uPhongolo Local Municipality, 61 Martin street, uPhongolo 3170 by not later than **26th May 2023**.

The municipality does not bind itself to accept the lowest or any bid, and reserves the right to accept any bid or part thereof.

CONDITIONS:

No awards will be made to a Bidder:

- ❖ Who is not registered on the Central Supplier Database
- ❖ Who is in the service of the state
- ❖ If that person is a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state, and /or
- ❖ Who is an advisor or consultant contracted with the Municipality or municipal entity?
- ❖ Service Providers should be on Central Supplier Database / Municipal Database if not please download them from Municipal website (www.uphongolo.gov.za) and submit them with your bid document.
- ❖ This tender will be valid for a period of 90 days after the closing date.
- ❖ This tender must only have submitted on the documentation provided by uPhongolo Local Municipality (Original document).
- ❖ Failure to comply with these conditions will result in immediate disqualification of the tender.

Bidder's attention is specially drawn to the provisions of the quotation rules which are included in the tender document and as follows:

- ❖ uPhongolo Local Municipality Supply Chain Management Policy will apply.
- ❖ Central Supplier database registration report (Detailed/ Summary).
- ❖ Valid copy of company registration document.
- ❖ Certified B- BBEE Certificate from registered Accountants is required or original Sworn Affidavit from Commissioner of Oath.
- ❖ Fully completed all the MBD's on the tender document.
- ❖ Fully completed and signed tender document (incomplete document will result to disqualification).
- ❖ Proof of relevant experience to be provided.
- ❖ Late bids will not be accepted.
- ❖ An original valid tax clearance certificate/ SARS PIN of a company must be submitted with the tender document.
- ❖ A current account in terms of water and electricity / rates and taxes obtainable from your local municipality must be submitted or lease agreement and it must be not older than 30 days.
- ❖ The bidder which is the VAT vender, must provide the VAT Vender certificate.
- ❖ Certified copies of identity documents of directors and owners of the company must be submitted.

SPECIFIC GOALS

The specific goals allocated points in terms of this quote	80/20	Documents required for verification
Specific goal 1 – Ownership - maximum points = 10		
Company owned by 100% black person	10	Certified ID copy of director/Owner and CSD
Company owned by >51% black person	8	Certified ID copy of director/Owner and CSD
Company owned by >25% black person	5	Certified ID copy of director/Owner and CSD
Specific goal 2 – BBBEE Certificate = 4		
BBBEE Certificate level 1	4	BBBEE Certificate or Certified copy of Affidavit
BBBEE Certificate level 2	2	BBBEE Certificate or Certified copy of Affidavit
BBBEE Certificate level 3	1	BBBEE Certificate or Certified copy of Affidavit
Specific goal 3 – RDP Goals – maximum points = 6		
Companies falls under the SMME Category		
Promotion of enterprises located within Zululand District Municipality	6	Preferred address on CSD report and Certified copy of a utility bill of property rates and services OR proof of residence
Promotion of enterprises located within KwaZulu Natal	4	Preferred address on CSD report and Certified copy of a utility bill of property rates and services OR proof of residence
Promotion of enterprises located within South Africa	2	Preferred address on CSD report and Certified copy of a utility bill of property rates and services OR proof of residence

For more information, please contact Supply Chain Management office on 034 413 1223 Ext. 1120.

Mr MB Khali
MUNICIPAL MANAGER

SPECIFICATION

SERVICES PROVIDER FOR THE SUPPLY, INSTALLATION AND MANAGEMENT OF SMART ELECTRICITY METERS FOR A PERIOD OF 36 MONTHS FROM DATE TO DATE OF CONTRACT IN COMPLIANCE WITH THE LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 2000 (ACT NO. 32 OF 2000)

1. INTRODUCTION

The uPhongolo Local Municipality is calling for tenders from experienced and suitably qualified **Services provider to supply, install and manage smart electricity meters for a period of 36 months** in terms of the Act, for the following areas within its area jurisdiction:

Section A: Meter Supply, Installation and Management

uPhongolo Local Municipality (PLM) is seeking a metering solution with the aim of upgrading its meter infrastructure in order to progress with current municipal trends. This includes a total of 521 single phase prepayment split meters and 201 3 phase prepayment split meters. This is in a bid to convert our town into a “smart city”. The contract will span over a period of 36 months. The main objectives hereto are:

Grid visibility and control

Upgrading of metering infrastructure to modern and up to date meters as well as to put in place measures to control, record and report on customer activity

Updating of customer databases

Developing a platform for shared services between electricity and water meter resources, should the municipality choose to do so in future

Installing a prepaid electricity vending system to assist the municipality with the collection of historical debt on the rates and taxes, electricity, water and sanitation services

Requirement

Current Meter Infrastructure Audits:

To kick start program implementation, we require the prospective service provider to successfully perform current meter infrastructure audit services at risk subject to being appointed as the preferred service provider for the provision, installation and management of the municipality’s Smart Metering and Electricity Vending program.

Pricing:

Prospective service providers are required to provide itemized pricing for all services to be proposed to PLM

Proposals:

The Electricity Smart Meter proposal must include the following as well as a detailed scope of service:

1. Smart Metering (Advanced Metering Infrastructure)

- All Large Power User (LPU) Smart Meters and back-end system provisioning
- All Small Power User (SPU) Smart Meters and back-end system provisioning
- Full GPRS communications:
 - o Including SIM cards
 - o Data communications

Installation of Smart Meters and Smart System

□ Backend System including:

- o Head-End-System
- o MDMS
- o UDIS head-in-system
- o MOM (Energy IP)
- o PPES (Prepayment Enterprise System)/ Smart Vending System
- Enterprise Asset Management
- o Asset Management Centre

1. Smart Meter System (AMI System)

The Agnostic AMI system will comprise of multiple features and functionality to increase revenue for the Municipality as well as provide control of infrastructure that has been installed. The system must be able to:

Manage smart meter hardware. The system must be able to remotely program, update thresholds and manage smart meters.

Manage Smart Meter Data. The system must be able to read data coming from meters every 30 min intervals which should include load profiles that consist of active power import and export, reactive power import and export, current and voltage. The system can include more data to be retrieved. The system must also allow for both 2-way communication to the smart meters.

Full Management Platform. The AMI system should incorporate a full management platform of all municipal customers from account information to billing. The following must be features of the platform:

EAM (Enterprise Asset Management)

Renewable Management

Fault and Incident Reporting

Mobile Consumer Application

Smart Vending

Smart Load Management

Historical Debt Collection

2. Smart Meters.

The Large Power User (LPU) Smart Meters and Small Power User (SPU) Smart Meters must adhere to the following conditions. The smart meter must be a bi directional meter to allow consumers to have back feeding capabilities. Each meter must have a communication module that is programming and interchangeable to add sim cards for Head-End-System connection capabilities. The sim cards provided with the meters must allow for 100MB of bandwidth to be allocated on a monthly basis to allow for data transmitting to and from the smart meter. Each meter should adhere to a DLMS and IEC standard for protocols and necessary certificates for the smart meters and companies. Each smart meter should be able to be interchangeable of their mode such as being a prepaid meter and can be converted to post-paid and vice versa.

Prospective service providers should include a project rollout plan that adheres to the example indicated above.

Additional:

Prospective service providers should include additional Value Added Services relating to smart metering, tariff optimization, debt management and collection to their proposal in order to strengthen their bids.

Section B: Supply, Installation and Commissioning of an STS compliant Online Hosted Vending System and Smart Meter Management System

Terms of Reference:

The municipality seeks service providers for the provision of an online Vending System and Third Party Vending, to operate on a smart meter ready platform for a period of 36 months. The municipality seeks to upgrade its metering infrastructure in order to provide a "Security of Revenue" platform with current municipal trends. This is in a bid to convert the municipality into a "smart city".

The main objectives hereto were:

Grid visibility and control

Upgrading of metering infrastructure to modern and up to date smart meters for Electricity as well as to put in place measures to control, record and report on customer revenue and consumption activity.

Updating of customer databases

Develop a platform for shared services between electricity metering resources. Now the municipality seeks to install a smart prepaid electricity vending system to assist the municipality with the collection of historical debt on the rates and taxes and electricity services

1. Vending System Scope of Work:

Provision of online vending system as well as third party vending:

The Prepaid Vending System (PVS) must allow for the following:

“Postpaid” and “Prepaid” functionality

Tariff rating and charging

Mobile applications (iOS and Android) to allow for mobile access to the PVS.

PVS to be based on a “central wallet” design where ‘thin’ smart meters are read periodically and the customer account balances (their ‘wallet’) is updated with each meter read. As the PVS balance approaches zero (or a configurable threshold), PVS to send a message to the customer (email, text, call) to top-up their balance. If the customer balance drops below zero, the PVS application communicates with the smart metering solution to disconnect the customer for non-payment, the PVS application must include both web-based and mobile-based graphical user interfaces to help the customers understand their balance and top-up their accounts. the PVS must allow the operator the ability to quickly change customer tariff information, handle new customer connections and other operations like customer move-in/move-out transactions.

Smart Prepay Overview

The Smart Prepay Solution must effectively support the business of utilities, not just today but also in future, ensuring

- ▣ smooth migration to centralized infrastructures
- ▣ innovative tariff and price plans, promotions and rewards
- ▣ real-time cost control and usage information
- ▣ future-proof system scalability and performance
- ▣ flexible integration with smart meter infrastructures and types of energy
- ▣ flexible integration into the existing ERP, CRM and CIS systems

The introduction of advanced metering infrastructures by the utilities on their way towards smart grids and the support of various means of communication between smart meters and back office systems enable the introduction of centralized prepaid energy solutions. These solutions take care of the overall control of the end customer's account and energy consumption in the back office system. These systems offer functionalities, such as support of flexible tariff models, different payment methods, discount and bonus programs, easier consumer access to their account and status information, e.g. balance alerts, recharge & transaction history and consumption graphs. In addition, the various provisioning activities at the meters, like tariff and threshold changes, load limitations, reconnection procedures, reconciliation, notifications etc. can be initiated, performed and controlled from the back office of the utility. This reduces the effort for the utilities' field service.

A. Key Prepayment System Characteristics

The solution should be based on centralized back office systems as application on top of the Meter Data Management System (MDMS); Provide automatic means for customer enrolment and de-enrolment via standard interfaces; Provide customer access to view account details, payment history, and consumption history as well as modification of certain account details, thresholds and contact information via web based self-care, smart phone apps and SMS text messaging; Provide integration points for top-up and payment capabilities via cash payment, point-of-sale outlets, credit cards, debit cards or bank account; Provide tariff management and energy tariffs supporting flat, tiered and time-of-use tariffs as well as recurring and one-time fees in an easy and comprehensive way to be modified by the energy supplier; Provide alerts to customer on low account, load limitation, disconnection and reconnection; Provide non-disconnection periods based on time of day and calendar;

Provide supplier customer care to manage the customer account, view the customer history and apply account balance adjustments; Provide a role based access control model for all supplier and user access to sensitive data; Provide a set of standard reports covering payments, consumption and customer status

B. Service Enrolment/De-Enrolment Support

It must be possible:

To enroll a customer onto the prepayment solution through a variety of enrolment channels; For the Utility Supplier to enroll a Customer onto the prepayment scheme via a specified interface channel (for example flat text file or Web Service call) driven from the supplier CRM solution. For the supplier to request the enrolment of a Customer onto the prepayment solution. To receive and process requests from the utility supplier to create a new customer account, using a minimum set of customer account information provided by the utility supplier. To validate that requests for new customer accounts are in the correct format and contains sufficient detail to enable the enrolment transaction to be processed. To keep a full audit trail of each Customer enrolment request transaction processed.

Key data items shall include:

- ▣ Supplier Details – details of the requesting supplier
- ▣ Customer Details – requested Customer details to be enrolled
- ▣ Outcome – the status and outcome of the request.

The solution must generate a response to notify the supplier with the outcome of the enrolment request. The solution must enable an account to be held in a 'pre-active status' during the enrolment process to enable the registration process to be a single or multi-staged process. It must be possible to request and receive account enrolment updates and settings from the supplier at different stages during the account registration process prior to an account being 'active'. It must be possible for the supplier to request the de-enrolment of a Customer from the prepayment solution. The solution must receive and process requests from the utility supplier to close a customer account, using a minimum set of customer account information provided by the utility supplier. The solution must enable a customer account to be closed on a specified date and time. The solution must validate that an account closure request for is in the correct format and contains sufficient detail to enable the de-enrolment transaction to be processed. The solution shall provide a full audit trail of each de-enrolment request transaction processed. **Key data items shall include:**

- ▣ Supplier Details – requesting supplier
- ▣ Outcome - the status and outcome of the request
- ▣ Closing balances
- ▣ Closing read

It must be possible to flag payments on a customer account received and processed post the account closure date.

C. Payment and Top-Up Services

Customers must be able to purchase credit for their Prepayment account from a point of sale outlet using a scheme-registered identification card associated with their account. The Customer shall be able to purchase credit using cash or a credit/debit card. It must be possible for a Customer to setup regular payments for credit via direct debit through the supplier. The solution shall process supplier collected payments. It must be possible to process and validate payment transactions that have been collected and validated from an external payment source (e.g. directly collected by the utility supplier's direct debit or payment interface).

D. Tariff Management

The supplier must be able to subscribe the customer to one or more available tariff options but only one tariff shall be effective for a service delivery point at a given point in time. The supplier must be able to define tariffs based on a fixed rate for energy consumption. The supplier must be able to define tariffs based on variable rates for energy consumption e.g. time of use or

block consumption. The supplier must be able to define tariffs that have a fixed fee charged e.g. daily standing charge. The supplier must be able to define tariffs that have a one-off subscription fee. The supplier shall be able to define tariffs that provide a specified customer with a specified amount of free energy e.g. (x) amount over (y) period (indigent customers) The supplier must be able to define tariffs that provide a customer with a specified amount of energy at a discounted rate. It must be possible to change the prices that apply for a particular tariff from a specified and configurable date in the future.

E. Service Reports

The solution must provide a core 'Payment Transaction Summary and History' report. This report is to summarize and provide details of payment transactions processed within the solution. The solution must provide a core 'Service Revenue' report. This report is to summarize and provide details of the revenue generated by the Prepayment solution. The solution must provide a core 'System Exception' report. This report shall summarize and provide details of any exceptions requiring user intervention within the solution.

F. System Quality Attributes.

Accessibility:

An audit trail of all transactions will be kept so that query resolution in relation to Billing and Service Level Agreements can be resolved. The solution must record information on users when they edit or amend data and commit changes on tables that are currently audited. Information captured upon these changes being committed will include: user ID, role type and date and time data was changed. Non-financial transactional data shall be stored for a maximum of 90 days from the date that they were finally actioned. Where data is required for audit and reporting purposes it will be stored off-line. The solution must store all messages containing financial transactions incoming and outgoing and the records of the processing of those messages for a minimum of 5 years.

Availability (Includes Recovery):

Systems must be available as per current operational processes (24/7/365 except for routine back-up and recovery time).

Capacity and Growth:

The solution must be able to handle 1 million Service Delivery Points scalable to 15 million Service Delivery Points The solution must be able to process an average of 1 payment transaction per week per Service Delivery Point. The solution must be able to handle a daily reading message per service delivery point.

Flexibility

The solution shall enable external parties to use different protocols and data formats for communicating with the service as well as offering a standard set of inbound and outbound interfaces.

Interoperability

Interfaces to external systems shall support various standards-based transport mechanisms (HTTP, HTTPS, FTP, SFTP, SMTP etc.)

Performance

The response time for any given on-line query shall be less than 3 seconds Platform compatibility

Any new frontend systems shall be compatible with Windows 7,8 and 10.

Any new web pages shall be compatible with:

- Internet Explorer version 11 or higher
- Mozilla Firefox
- Google Chrome

Reliability

In the event of single component failure, the solution must continue to operate i.e. there should be no single point of failure or data loss. Message loss after system failure and recovery must be minimized but not in a way that would allow duplication of messages. After any system failure, the application will be restored without loss of data within a reasonable period of time.

Security

SSL is the only method used for all external HTTP communication including web portals and HTTP interface traffic. Communications between LANs are secured at the transport layer with certificates or other tokens. The solution functionality shall be controlled by role based access control and access must be limited to the minimum permissions required to enable a user to perform a given task in the system. This includes both read access and performing tasks in the system. Must provide added security and audit facilities to ensure data is secure as well as accesses.

Usability

Any new user interfaces should tab through fields on the screen in a logical order (e.g. the order they should be populated). Any error messages on new screens should give the user enough information that they can identify the error and the means by which it can be rectified. All labels on new screens should provide a meaningful description of the associated item or function.

2. TID Rollover

Vending system manufacturers are required to update their vending system software to cater for the new hardware secure module API and key load files and associated rules. The Token Identifier is a 24-bit field, contained in STS compliant tokens, that identifies the date and time of when the token was generated. It is used to determine if a token has already been used in a prepayment meter. The TID represents the number of minutes elapsed since the base date of 1 January 1993. The incrementing of the 24-bit field means that at some point in time, the TID value will roll over to a zero value. Notably, the TID has a limited range and will run out in November 2024, at which point all existing prepayment meters will stop accepting credit tokens. In order to circumvent this issue, the memory of each meter needs to be cleared of all stored TIDs and its cryptographic key needs to be changed before 2024. The service provider is to include a comprehensive TID rollover plan as part of its proposal

3. Smart Meter Agnostic Head-End System (HES)

The Head-End System (HES) must be an open, standards-based enterprise class “Universal Head-End” platform which integrates with multiple 3rd-party meters and data concentrators from leading smart meter manufactures. The HES must support a series of standards, showing on the all aspects of the product, such as system security, communication technology and system integration.

These standards to include as follows:

- DLMS/COSEM, DSRM, IEC 61968, IEC 62056, ANSI, SGCC 376.x
- GPRS, CDMA, SMS, TCP/IP, PLC G3, Meshed RF, RS485, PSTN
- Web Service, W3c, XML
- SSL and AES.

The HES must provide for:

High Availability: Supports clustering for 24x7x365 availability with automatic load balancing, fail-over and disaster recovery with off-site mirrors

Security: Supports industry strength data encryption and security key handling including DES, triple DES, MD5 and SHA1, AES128, AES256, SSL and certificates

System Integration: The HES must provide unified integration solutions to industry standard MDM, CIS, GIS. These solutions meet the open standard of IEC61986, Web Service, SOA, XML etc.

4. Meter Data Management System (MDMS)

The MDM is to be a highly scalable service oriented solution that provides for automated configurable real-time work flow.

The MDMS is to be built upon open standards, provide a wide range of standard integration options The MDMS is to allow for a mix between 15 and 60-minute intervals. The MDMS is to provide for a sophisticated web based user interface for both internal management and third party portal access and comprehensive reporting. The MDMS is to automate business process integration in real-time for the fastest possible decision making and customer responsiveness; MDMS must deliver an adaptive architecture to support multiple Advanced Metering Infrastructure (AMI) technologies; and The MDMS must provide for Pre-configured, Extensible Deployment: Configuration settings to be based on collective advanced metering expertise and best practices not only to simplify integration but also be easily edited to meet specific requirements and practices. The MDMS must support smart meter deployment and operation for the mass market as well as commercial and industrial The MDMS must capture the complex relationships among assets, premises, customer accounts, users, applications and services MDMS must be scalable. MDMS must be able to separate different meter data inputs such as Electricity | Water | Gas

5. Evaluation:

PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT (PPPF ACT) POINTS TO BE CLAIMED AS FOLLOWS:

- 5.1 Bids that scores less than 75% of the points allocated for functionality will be eliminated from further participation in the bid evaluation process.

Functionality	Sub-Criteria	Max Points
1. Qualifications of a Project Leader and Experience.	CV, Qualifications must be attached to tender documents: <ul style="list-style-type: none">➤ Post graduate in Project management and 10 & above years' experience➤ Degree or Diploma in Project management 5 to 9 years' experience➤ National certificate or Diploma in Project management , 2 to 4 years' experience	10 Points for qualification 10 Point for experience 8 Points for Qualification 7 Point for experience 3 Points for Qualification 2 Point for experience Max 20
2. Qualifications of other member and Experience	CV, Qualifications must be attached to the document: <ul style="list-style-type: none">➤ Electrical Technician with Trade Test from a recognised institution 10 years and above.➤ Electrical technician with trade test less than 10 years.	20 Points 10 Points 0 Points Max 20

	➤ No electrical technician and trade test	
3. Meter and System Certificates	The bidder must provide a vending certificate: <ul style="list-style-type: none"> ➤ Attached certificate (ICASA, SABS, STS, ISO standards) ➤ Not Attached certificate 	20 Points None Max 20
4. Project Plan	Attached Project Plan <ul style="list-style-type: none"> • Project Plan well developed to complete within 2 months • Project Plan not Attached 	20 Points 0 Points Max 20
5. Financial Capacity	Service provider must submit audited annual financial statements: <ul style="list-style-type: none"> • 2 and above Years Financial Statements with Bank ratings • 1 Year Financial Statements with Bank ratings • None attached of Financial Statements 	20 Points 10 Points 0 Points Max 20
	Total Points	100

Specific Goals

The Specific Goal allocated points it terms of the Tender	20	Documents required for verification
Goal 1: Ownership (*Must be South African) = 10		
Company owed by Men/ Women 100% Black person	10 points	ID Copies: Directors Co. Registration CSD Shareholders Certificate
Company owed by Men/ Women >51% Black person	08Points	ID Copies: Directors Co. Registration CSD Shareholders Certificate
Company owed by Men/ Women >25% Black person	05 Points	ID Copies: Directors Co. Registration CSD Shareholders Certificate
Goal 2: Broad Based Black Economic Empowerment = 04		
BBBEE Level 1	04Points	BBBEE Agency or SWORN Affidavit

BBBEE Level 2	02 Points	BBBEE Agency or SWORN Affidavit
BBBEE Level 3 & Below	01 Points	BBBEE Agency or SWORN Affidavit
Goal 3: Promotion of Local Business(s) = 06		
Enterprise Located within uPhongolo Local Municipality.	06 Points	Utilities: Directors or Co. Affidavit Existing Lease Agreement
Enterprise Located within the District Municipality - ZDM	04 Points	Utilities: Directors or Co. Affidavit Existing Lease Agreement
Enterprise Located within the Province KZN	02 Points	Utilities: Directors or Co. Affidavit Existing Lease Agreement

MBD 2

TAX CLEARANCE CERTIFICATE REQUIREMENTS

It is a condition of bid that the taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.

- 1 In order to meet this requirement bidder are required to complete in full the attached form TCC 001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.
- 2 SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
- 3 The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.
- 4 In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.

5 Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website www.sars.gov.za.

6 Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.sars.gov.za.

MBD 3.1

PRICING SCHEDULE – FIRM PRICES (PURCHASES)

NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED

IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT.

Name of Bidder.....
Bid Number.....

Closing Time
Closing Date

OFFER TO BE VALID FOR 90 DAYS FROM THE CLOSING DATE OF TENDER.

ITEM	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY NO.
------	----------	-------------	-------------------------------

**** (ALL APPLICABLE TAXES INCLUDED)**

- Required by:
- At:.....
- Brand and Model:.....
- Country of Origin:
- Does the offer comply with the specification(s)? *YES/NO
- If not to specification, indicate deviation(s):.....
- Period required for delivery:.....
- *Delivery: Firm/Not firm
- Delivery basis:.....

Note: All delivery costs must be included in the bid price, for delivery at the prescribed destination.

** "all applicable taxes" includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions

and skills development levies.

*Delete if not applicable

MBD4

DECLARATION OF INTEREST

- 1. No bid will be accepted from persons in the service of the state¹.
- 2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make offers in terms of this invitation to bid. In view of possible allegations of favoritism, 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 authorized 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, hareholder²)
 - 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.....
 -

¹ 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.

² 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 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 the 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, trustee, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract.

YES / NO

3.14.1 If yes, furnish particulars

.....

.....,

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

Full Name	Identity Number	State Employee Number

.....

Signature

.....

Date

.....

Capacity

.....

Name of Bidder

MBD 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**

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).

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 80/20 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	
SPECIFIC GOALS	
Total points for Price and SPECIFIC GOALS	100

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

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

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).

FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

80/20 or 90/10

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

3.2.1. POINTS AWARDED FOR PRICE

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

80/20 or 90/10

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration Pmax = Price of highest acceptable tender

POINTS AWARDED FOR SPECIFIC GOALS

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

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Procurement from EME who 51 % black are at least owned		20		

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

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

- i) The information furnished is true and correct; ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have —
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

- (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution, if deemed necessary.

.....
SIGNATURE(S) OF TENDERER(S)
SURNAME AND NAME:
DATE: ADDRESS:
.....

MBD 7.1

C1.1. Form of Offer and Acceptance (Contract Form)

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

PART 1 (TO BE FILLED IN BY THE BIDDER)

I hereby undertake to supply all or any of the goods and/or works described in the attached bidding documents to Abaqulusi Municipality..... in accordance with the requirements and specifications stipulated in

bid number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the purchaser during the validity period indicated and calculated from the closing time of bid.

The Employer, identified in the Acceptance signature block, has solicited offers to enter into a contract in respect of the following works:

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

By the representative of the tendered, deemed to be duly authorized, signing this part of this Form of Offer and Acceptance, the tenderer offers to perform all of the obligations and liabilities of the 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, within _____ days of the commencement date.

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 tendered before the end of the period of validity stated in the Tender Data, whereupon the Tendered becomes the party named as the Contractor in the Conditions of Contract identified in the Contract Data.

1. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Bidding documents, viz
 - Invitation to bid;
 - Tax clearance certificate;
 - Pricing schedule(s);
 - Technical Specification(s);
 - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
 - Declaration of interest;
 - Declaration of bidder's past SCM practices;
 - Certificate of Independent Bid Determination;
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (iii) Other (specify)
2. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the goods and/or works specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
3. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfilment of this contract.
4. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
5. I confirm that I am duly authorized to sign this contract.

SIGNED ON BEHALF OF/BY THE TENDERER:

NAME

SIGNATURE

CAPACITY

DATE

Name and address of Organisation:

SIGNED BY WITNESS:

NAME

SIGNATURE

DATE

PART 2 (TO BE FILLED IN BY THE PURCHASER)

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 Tendered upon the terms and conditions contained in this Agreement and in the Contract that is the subject of this Agreement.

Deviations from and amendments to the documents listed in the Tender Data and any addenda thereto as listed in the Returnable Documents 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 duly signed by the authorized representative(s) of both parties.

The tenderer shall within two weeks of receiving a completed copy of this Agreement, including the Schedule of Deviations (if any), or when or just after this Agreement comes into effect, contact the employer's agent (whose details are given in the Contract Data) to arrange the delivery of any bonds, guarantees, proof of insurance and any other documentation to be provided in terms of the Conditions of Contract identified in the Contract Data. Failure to 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.

SIGNED ON BEHALF OF/BY THE EMPLOYER:

--

NAME

--

SIGNATURE

--

CAPACITY

--

DATE

Error! Reference source not found. - CORNER MARK AND HIGH STREET, VRYHEID

SIGNED BY WITNESS:

--

NAME

--

SIGNATURE

--

DATE

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

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

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

4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
Item	Question	Yes	No
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

.....

Position

.....

Date

.....

Name of Bidder

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all bids¹ invited.

- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *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:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.² Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of: _____ that:

(Name of Bidder)

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

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

GENERAL CONDITIONS OF CONTRACT

TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information inspection
6. Patent Rights
7. Performance security
8. Inspections, tests and analyses
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental Services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Variation orders
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Anti-dumping and countervailing duties and rights
25. Force Majeure
26. Termination for insolvency
27. Settlement of Disputes
28. Limitation of Liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. Transfer of contracts

34. Amendments of contracts
35. Prohibition of restrictive practices

GENERAL CONDITIONS OF CONTRACT

1. Definitions:	The following terms shall be interpreted as indicated:
	1.1 "Closing time" means the date and hour specified in the bidding advertisement 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 goods are so delivered and a valid receipt is obtained.
	1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.

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

	1.28	“Written” or “in writing” means hand-written in ink or any form of electronic or mechanical writing.
2. Application	2.1	These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services (excluding professional services related to the building and construction industry), sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
	2.2	Where applicable, special conditions of contract are also laid down to cover specific goods, services or works.
	2.3	Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.
3. General	3.1	Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a nonrefundable fee for documents may be charged
	3.2	Invitations to bid are usually published in locally distributed news media and on the municipality/municipal entity website.
4. Standards	4.1	The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.
5. Use of contract documents and information inspection	5.1	The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only as far as may be necessary for purposes of such performance.
	5.2	The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
	5.3	Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.
	5.4	The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.
6. Patent Rights	6.1	The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.
	6.2	When a supplier developed documentation / projects for the municipality / municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality / municipal entity.
7. Performance security	7.1	Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

	7.2	The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
	7.3	The performance security shall be denominated in the currency of the contract or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms: (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or (b) a cashier's or certified cheque
	7.4	The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified.
	7.4	The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified.
8. Inspections, tests and analyses	8.1	All pre-bidding testing will be for the account of the bidder.
	8.2	If it is a bid condition that goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.
	8.3	If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
	8.4	If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the goods to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
	8.5	Where the goods or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
	8.6	Goods and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

	8.7	Any contract goods may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with goods, which do comply with the requirements of the contract. Failing such removal the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods as may be necessary at the expense of the supplier.
	8.8	The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 22 of GCC.
9. Packing	9.1	The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
	9.2	The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, and in any subsequent instructions ordered by the purchaser.
10. Delivery and documents	10.1	Delivery of the goods and arrangements for shipping and clearance obligations shall be made by the supplier in accordance with the terms specified in the contract.
11. Insurance	11.1	The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified.
12. Transportation	12.1	Should a price other than an all-inclusive delivered price be required, this shall be specified.

13. Incidental Services	<p>13.1 The supplier may be required to provide any or all of the following services, including additional services, if any:</p> <ul style="list-style-type: none"> (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. <p>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.</p>
14. Spare parts	<p>14.1 As specified, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (i) advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty	15.1	The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.
	15.2	This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise.
	15.3	The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.
	15.4	Upon receipt of such notice, the supplier shall, within the period specified and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.
	15.5	If the supplier, having been notified, fails to remedy the defect(s) within the period specified, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.
16. Payment	16.1	The method and conditions of payment to be made to the supplier under this contract shall be specified.
	16.2	The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
	16.3	Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
	16.4	Payment will be made in Rand unless otherwise stipulated.
17. Prices	17.1	Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized or in the purchaser's request for bid validity extension, as the case may be.
18. Variation orders	18.1	In cases where the estimated value of the envisaged changes in purchase does not vary more than 15% of the total value of the original contract, the contractor may be instructed to deliver the goods or render the services as such. In cases of measurable quantities, the contractor may be approached to reduce the unit price, and such offers may be accepted provided that there is no escalation in price.
19. Assignment	19.1	The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.

20. Subcontracts	20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.
21. Delays in the supplier's performance	21.1 Delivery of the goods and performance of services shall be made the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
	21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
	21.3 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the goods are required, or the supplier's services are not readily available.
	21.4 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 22.2 without the application of penalties.
	21.5 Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without canceling the contract, be entitled to purchase goods of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.
22. Penalties	22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23. Termination for default	<p>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:</p> <ul style="list-style-type: none"> (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.
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	<p>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.</p> <p>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.</p> <p>23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the supplier as having no objection and proceed with the restriction.</p> <p>23.5 Any restriction imposed on any person by the purchaser will, at the discretion of the purchaser, also be applicable to any other enterprises or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first – mentioned person, and with which enterprise or person the first – mentioned person, is or was in the opinion of the purchaser actively associate.</p> <p>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:</p> <ol style="list-style-type: none"> 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. <p>These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector</p> <p>23.7 If a court of law convicts a person of an offence as contemplated in section 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</p>
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		to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.
24. Antidumping and countervailing duties and rights	24.1	When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favorable difference shall on demand be paid forthwith by the supplier to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the supplier in regard to goods or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.
25. Force Majeure	25.1	Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
	25.2	If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.
26. Termination for solvency	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 between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

	27.2	If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
	27.3	Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
	27.4	Notwithstanding any reference to mediation and/or court proceedings herein, (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and. (b) the purchaser shall pay the supplier any monies due the supplier for goods delivered and / or services rendered according to the prescripts of the contract.
2 Limitation of Liability	28.1	Except in cases of criminal negligence or willful misconduct, and in the case of Infringement pursuant to Clause 6; (a) The supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and (b) The aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
29. Governing language	29.1	The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
30. Applicable law	30.1	The contract shall be interpreted in accordance with South African laws, unless otherwise specified
31. Notices	31.1	Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice.
	31.2	The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
32. Taxes and duties	32.1	A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

	32.2	A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
	32.3	No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid SARS must have certified that the tax matters of the preferred bidder are in order.
	32.4	No contract shall be concluded with any bidder whose municipal rates and taxes and municipal services charges are in arrears.
33. Transfer of contracts	33.1	The contractor shall not abandon, transfer, cede assign or sublet a contract or part thereof without the written permission of the purchaser
34. Amendment of contract	34.1	No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing, shall also be in writing.
35. Prohibition of restrictive practices	35.1	In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder(s) is / are or a contractor(s) was / were involved in collusive bidding.
	35.2	If a bidder(s) or contractor(s) based on reasonable grounds or evidence obtained by the purchaser has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigating and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No 89 of 1998.
	35.3	If a bidder(s) or contractor(s) has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part , and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

