



**LIMPOPO**

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF  
CO-OPERATIVE GOVERNANCE,  
HUMAN SETTLEMENTS & TRADITIONAL AFFAIRS

**PART A: INVITATION TO BID**

**YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)**

BID NUMBER: COGHSTAB12-2022/23FY CLOSING DATE: 12 DECEMBER 2022 CLOSING TIME: 11H00

DESCRIPTION THE APPOINTMENT OF SERVICE PROVIDER TO CONDUCT DIAGNOSTIC STUDY IN LIMPOPO PROVINCE MUNICIPALITIES ON BEHALF OF THE DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS

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

20 RABE STREET

POLOKWANE

0700

**BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO**

**TECHNICAL ENQUIRIES MAY BE DIRECTED TO:**

CONTACT PERSON MASENYA JT

CONTACT PERSON/S

MOSHOANA DJ AND MOKOU AM

TELEPHONE NUMBER

015 294 2290

TELEPHONE NUMBER

015 284 5306 AND 015 284 5347

E-MAIL ADDRESS

masenyajy@coghsta.limpopo.gov.za

E-MAIL ADDRESS

moshoanadj@coghsta.limpopo.gov.za  
mokouma@coghsta.limpopo.gov.za

**SUPPLIER INFORMATION**

NAME OF BIDDER

POSTAL ADDRESS

STREET ADDRESS

TELEPHONE NUMBER

CODE

NUMBER

CELLPHONE NUMBER

FACSIMILE NUMBER

CODE

NUMBER

E-MAIL ADDRESS

VAT REGISTRATION NUMBER

SUPPLIER COMPLIANCE STATUS

TAX COMPLIANCE SYSTEM PIN:

OR

CSD No:

MAAA

B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE

TICK APPLICABLE BOX]

Yes

No

B-BBEE STATUS LEVEL SWORN AFFIDAVIT

[TICK APPLICABLE BOX]

Yes

No

**[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]**

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?

Yes

No

[IF YES ENCLOSE PROOF]

ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?

Yes

No

[IF YES, ANSWER THE QUESTIONNAIRE BELOW]

**QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS**

IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?

YES  NO

DOES THE ENTITY HAVE A BRANCH IN THE RSA?

YES  NO

DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?

YES  NO

DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?

YES  NO

IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?

YES  NO

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

## PART B TERMS AND CONDITIONS FOR BIDDING

- 1. BID SUBMISSION:**
- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
  - 1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED- (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.
  - 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
  - 1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).

- 2. TAX COMPLIANCE REQUIREMENTS**
- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
  - 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
  - 2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
  - 2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
  - 2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
  - 2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
  - 2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

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

SIGNATURE OF BIDDER: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED: .....  
(Proof of authority must be submitted e.g., company resolution)

DATE: .....



**PRICING SCHEDULE**  
(Professional Services)

NAME OF BIDDER: .....	BID NO.: <b>COGHSTA B12/2022 – 23FY</b>
CLOSING TIME <b>11:00</b>	CLOSING DATE: <b>12 DECEMBER 2022</b>

OFFER TO BE VALID FOR 120 DAYS FROM THE CLOSING DATE OF BID.

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY (ALL APPLICABLE TAXES INCLUDED)
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1. The accompanying information must be used for the formulation of proposals.
2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project. R.....

3. PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)

4. PERSON AND POSITION	HOURLY RATE	DAILY RATE
.....	R.....	.....

5. PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

.....	R.....	..... days

5.1 Travel expenses (specify, for example rate/km and total km, class of airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
.....	.....	.....	R.....
.....	.....	.....	R.....
.....	.....	.....	R.....
.....	.....	.....	R.....

TOTAL: R.....

\*\* "all applicable taxes" includes value- added tax, pay as you earn, income tax, unemployment insurance contributions and skills development levies.

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Bid No.: .....

Name of Bidder: .....

5.2 Other expenses, for example accommodation (specify, eg. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
.....	.....	.....	R.....
.....	.....	.....	R.....
.....	.....	.....	R.....
.....	.....	.....	R.....
TOTAL: R.....			

6. Period required for commencement with project after acceptance of bid .....

7. Estimated man-days for completion of project .....

8. Are the rates quoted firm for the full period of contract? \*YES/NO

9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index. ....  
.....  
.....  
.....

\*[DELETE IF NOT APPLICABLE]

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## BIDDER'S DISCLOSURE

### 1. PURPOSE OF THE FORM

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

### 2. Bidder's declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest<sup>1</sup> in the enterprise, employed by the state?  
**YES/NO**

2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

Full Name	Identity Number	Name of State institution

<sup>1</sup> the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

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2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....  
.....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract? **YES/NO**

2.3.1 If so, furnish particulars:

.....  
.....

**3. DECLARATION**

I, the undersigned,  
(name)..... in submitting the accompanying bid, do hereby make the following statements that I certify to be true and complete in every respect:

- 3.1 I have read, and I understand the contents of this disclosure.
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect.
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement, or arrangement with any competitor. However, communication between partners in a joint venture or consortium<sup>2</sup> will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

<sup>2</sup> Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

- 3.5 There have been no consultations, communications, agreements, or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 3.6 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.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of bidder



**PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL  
PROCUREMENT REGULATIONS 2017**

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

**NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.**

**1. GENERAL CONDITIONS**

1.1 The following preference point systems are applicable to all bids:

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

1.2

- a) The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable; or
- b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (*delete whichever is not applicable for this tender*).

1.3 Points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contributor.

1.4 The maximum points for this bid are allocated as follows:

	<b>POINTS</b>
<b>PRICE</b>	80
<b>B-BBEE STATUS LEVEL OF CONTRIBUTOR</b>	20
<b>Total points for Price and B-BBEE must not exceed</b>	<b>100</b>

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

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



B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

**5. BID DECLARATION**

5.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

**6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1**

6.1 B-BBEE Status Level of Contributor: . = ..... (maximum of 10 or 20 points)  
 (Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

**7. SUB-CONTRACTING**

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

(Tick applicable box)

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

7.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted.....%
- ii) The name of the sub-contractor.....
- iii) The B-BBEE status level of the sub-contractor.....
- iv) Whether the sub-contractor is an EME or QSE

(Tick applicable box)

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

v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations, 2017:

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

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Black people who are military veterans		
<b>OR</b>		
Any EME		
Any QSE		

**8. DECLARATION WITH REGARD TO COMPANY/FIRM**

8.1 Name \_\_\_\_\_ of  
company/firm:.....

8.2 VAT \_\_\_\_\_ registration  
number:.....

8.3 Company \_\_\_\_\_ registration  
number:.....

**8.4 TYPE OF COMPANY/ FIRM**

- Partnership/Joint Venture / Consortium
- One person business/sole propriety
- Close corporation
- Company
- (Pty) Limited

[TICK APPLICABLE BOX]

**8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES**

.....  
 .....  
 .....  
 .....  
 .....

**8.6 COMPANY CLASSIFICATION**

- Manufacturer
- Supplier
- Professional service provider
- Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

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

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

- 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 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a

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fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –

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

WITNESSES
1. ....
2. ....

.....
SIGNATURE(S) OF BIDDERS(S)
DATE: .....
ADDRESS .....
.....
.....

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LIMPOPO

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF  
CO-OPERATIVE GOVERNANCE,  
HUMAN SETTLEMENTS & TRADITIONAL AFFAIRS

# TERMS OF REFERENCE

FOR THE APPOINTMENT OF A SERVICE  
PROVIDER TO CONDUCT DIAGNOSTIC STUDY IN  
LIMPOPO PROVINCE MUNICIPALITIES ON  
BEHALF OF THE DEPARTMENT OF COOPERATIVE  
GOVERNANCE, HUMAN SETTLEMENTS AND  
TRADITIONAL AFFAIRS

Terms of reference for the appointment of Professional Service Provider to conduct Diagnostic Study in Limpopo Province Municipalities on behalf of the Department of Cooperative Governance, Human Settlements and Traditional Affairs

Initials of DBSC members:

T.E

A.M

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Initials of HOD

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TERMS OF REFERENCE FOR THE APPOINTMENT OF PROFESSIONAL SERVICE PROVIDER TO CONDUCT DIAGNOSTIC STUDY IN LIMPOPO PROVINCE MUNICIPALITIES ON BEHALF OF THE DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS

1. PURPOSE

The purpose of this project is to conduct diagnostic study in all twenty-seven (27) Limpopo municipalities looking at their performance since 2016/17 financial year to 2020/21 financial year and compile a report per municipality with specific recommendations on areas that would require improvement or attention by both municipalities and the department/provincial government.

2. BACKGROUND

Local government is where most citizens interface with government, and its foundational ethos must be about serving people. The core services that local government provides - clean drinking water, sanitation, electricity, shelter, waste removal and roads - are basic human rights, essential components of the right to dignity enshrined in our Constitution and Bill of Rights. The vision of developmental local government, as outlined primarily in the 1998 White Paper on Local Government was that it would be the building block on which the reconstruction and development of society is built, a place in which the citizens could engage in a meaningful and direct way with the institutions of the state.

Section 152 of the Constitution mandates local government to structure its administration, budgeting and planning processes to promote the social and economic development of the community. Informed by the Constitutional provisions, the 1998 White Paper on Local Government provides four characteristics of developmental local government namely:

- a. Maximizing social development and economic growth;
- b. Integrating and coordinating;
- c. Leading and learning; and
- d. Democratizing development.

These characteristics, supported by the various functions of Local Government as outlined in Schedules 4B and Schedule 5B of the Constitution, as well as other sectoral legislative and policy provisions, provide a clear framework and basis for developmental local government functioning and characteristics.

The Department of Co-operative Governance, Human Settlements & Traditional Affairs is mandated to monitor, assess, and provide support to municipalities in the performance of their powers and functions.

The Constitution of the Republic of South Africa, 1996 section (152)(2) prescribes that a municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection(1).

Section (154)(1) of the Act supra further prescribes that the national and provincial governments, by legislative and other measures, must support, strengthen the capacity of municipalities to manage their own affairs and to perform their functions.

Section 155(6) further prescribes that each provincial government must establish municipalities in its province in a manner consistent with the legislation enacted in terms of subsections (2) and (3) and, by legislative and other measures, must-

- a. provide for the monitoring and support of local government in the province; and
- b. promote the development of local government capacity to enable municipalities to perform their functions and manage their own affairs.

Terms of reference for the appointment of Professional Service Provider to conduct Diagnostic Study in Limpopo Province Municipalities on behalf of the Department of Cooperative Governance, Human Settlements and Traditional Affairs

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Local Government: Municipal Systems Act, No. 32 of 2000 section (47) (1) prescribes that The MEC for local government must annually compile and submit to the provincial legislatures and the Minister a consolidated report on the performance of municipalities in the province.

Section (105)(1) of the Municipal Systems Act requires the MEC for local government in a province to establish mechanisms processes and procedures in terms of section 155(6) of the Constitution to:

- a. monitor municipalities in the province in managing their own affairs, exercising their powers and performing their functions;
- b. monitor the development of local government capacity in the province; and
- c. Assess the support needed by municipalities to strengthen their capacity to manage their own affairs, exercise their powers and perform their functions.

The department is further empowered by the following legislations;

- a. Intergovernmental Relations Framework Act, No.13 of 2005 and related regulations.
- b. Municipal Finance Management Act (MFMA), No.56 of 2003 and regulations.
- c. Municipal Property Rates Act (MPRA), No.6 of 2004 and regulations.

### 3. OBJECTIVES

The Department intends to conduct a diagnostic assessment of performance of municipalities in terms of their powers and functions as espoused in schedule 4b and 5b of the Constitution read together with section 84 of the Municipal Structures Act in order to:

- a. Determine the performance and capacity of municipalities in the performance of their duties as per the applicable legislative and policy provisions;
- b. Inform the development of the provincial capacity development framework;
- c. Enable the provincial government and other partners to take informed decisions when determining the need for support, capacity and interventions in municipalities in a differentiated manner;
- d. To collect information/data that may be utilized by different sectors in the course of decision making on capacity initiatives.

### 4. SCOPE OF THE DIAGNOSTIC STUDY

The diagnostic study should focus on the following key performance areas among others including the five pillars of Back to Basics from 2016/17 financial year to 2020/2021 with clear performance trends;

#### 4.1 Key Performance Area 1: Municipal Transformation and Institutional Development; (Building Institutional and Administrative Capabilities)

This focus area measures the extent to which the administrative and overall management capacity are developed with special emphasis on organizational design and human resources capacity, employment equity, capacity for strategic planning in the form of IDP, labour relations and performance management within the municipality.

- 4.1.1 Availability of Business Continuity Plan
- 4.1.2 Availability of required ICT Governance Policies
- 4.1.3 Review of the asset management and maintenance functions.
- 4.1.4 Analysis of the current state of affairs, data on vacancies, and number of senior managers compliant with minimum competency regulations and upper limits for total remuneration packages.
- 4.1.5 Implementation of performance management systems.
- 4.1.6 Realistic and affordable organograms underpinned by a service delivery model.
- 4.1.7 Implementable human resources development and management programmes.

Terms of reference for the appointment of Professional Service Provider to conduct Diagnostic Study in Limpopo Province Municipalities on behalf of the Department of Cooperative Governance, Human Settlements and Traditional Affairs

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4.1.8 Effective and efficient organized labour relations that seeks to minimize disputes and disruptions.

**4.2 Key Performance Area 2: Basic Service Delivery and Infrastructure Development;**

The focus is on accelerating basic service delivery in order to reduce service delivery backlog as well as the ability of local government to develop infrastructure that will sustain the provision of the municipal services. It is measuring whether there is progress towards provision of water, sanitation, electricity, waste removal, roads and storm water, operations and maintenance and the state of readiness to deliver housing in partnership with the provincial government. Equally the capacity to implement infrastructure projects funded through MIG, WSIG, RBIG, INEP and other related grants. This does not excluded own funded capital projects.

It also focuses on the national priorities in line with the National Development Plan and Limpopo Growth Development Plan.

- 4.2.1 Availability of infrastructure sector plans for the municipality, their status and recommendations thereof.
- 4.2.2 Availability of Standard Operating Procedures.
- 4.2.3 Establish a performance baseline on a number of critical aspects that informs detailed and project-specific "impacts, outputs and performance indicators" for accelerated infrastructure delivery. The baseline to include:
  - 4.2.4 The level of spending on capital projects and infrastructure maintenance for the period under review.
  - 4.2.5 Schedule of assets and the state of their maintenance. Based on the municipal reports and any studies conducted.
  - 4.2.6 Procurement, financial and contract management challenges/issues related to infrastructure delivery.
  - 4.2.7 Record of procurements (number, size and timelines) and procurement management challenges/issues including the governance and effectiveness of various procurement committees. The absence / availability of functioning contracts committees (and support processes).
  - 4.2.8 Analysis of the municipal absorption capacity and capability to manage infrastructure grants;
  - 4.2.9 Increase access to quality, reliable and sustainable basic levels of service; water and sanitation, electricity, waste management, roads and public transport infrastructure.
  - 4.2.10 Analysis of the capacity and provisioning of Free Basic Services and maintenance of indigent register.
  - 4.2.11 Operations and maintenance.

**4.3 Key Performance Area 3: Spatial Planning and Local Economic Development**

This focuses on the strategic intent, as well as the ability to implement local economic development through an integrated local development strategy. The key aspect is on assessing whether municipalities had an approved local economic development strategy which was implemented, if there is sufficient capacity within the municipality to drive local economic development. The intention of the strategy should be to alleviate poverty and create job opportunities through the competitive advantage of the municipal economies.

- 4.3.1 Implementation of LED programmes and projects (LED plans and strategies)
- 4.3.2 Functionality of LED/Sector forums or LED coordination mechanisms.
- 4.3.3 Capacity of LED staff and availability of designated LED structures
- 4.3.4 Availability of LED budget
- 4.3.5 Analysis of the development and implementation of an infrastructure development plan underpinning the spatial development programme.
- 4.3.6 Development/implementation of more detailed spatial development strategies for growth points
- 4.3.7 Impact of Community Works Programme in participating municipalities

**4.4 Key Performance Area 4: Financial Viability and Management (Sound Financial Management).**

Terms of reference for the appointment of Professional Service Provider to conduct Diagnostic Study in Limpopo Province Municipalities on behalf of the Department of Cooperative Governance, Human Settlements and Traditional Affairs.

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D.S. M.P.

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The critical element of this focus area provides the extent at which municipalities develop the capacity to implement and comply with the MFMA and MPRA requirements. The capacity to raise revenue through municipal trading services as well as overall budget and expenditure management. The status quo in terms of Auditor General's reports on municipal audit both financial and performance audit. Functionality of Internal audit and Performance/Audit Committees.

- 4.4.1 Determine current level of capacity v/s required in terms of planning and budget alignment in the municipalities from strategic to operational level;
- 4.4.2 Analysis of audit outcomes and implementation of audit remedial action plans;
- 4.4.3 Assess whether budgets were cash backed,
- 4.4.4 Percentage revenue collected against billing,
- 4.4.5 The extent to which debt is serviced
- 4.4.6 Efficiency and functionality of supply chain management and number of section 32 and 36 bids allocated and the value thereof.
- 4.4.7 Implementation of revenue enhancement strategies.
- 4.4.8 Assessment of non- revenue electricity and water losses.
- 4.4.9 Credibility of data, metering and bills.
- 4.4.10 Payment of government, municipal, business and residents debts.

**4.5 Key Performance Area 5: Good Governance and Public Participation (Putting People First)**

- 4.5.1 This area focuses on the running of council, establishment and functionality of ward committees and the extent to public participation, oversight and cooperative governance is exercised in municipalities.
- 4.5.2 Enforcement and compliance with legislative frameworks.
- 4.5.3 Community public participation.
- 4.5.4 Accountability by public representatives to communities they serve.
- 4.5.5 Responsiveness/Feedback by ward councilors.
- 4.5.6 Participatory governance in terms of ward committees, Intergovernmental relations and municipal councils.
- 4.5.7 Budgetary requirements for Disaster related matters (equipment at the Disaster Centers, cars, fire engines).
- 4.5.8 Enlisting Disaster projects in the IDP and SDBIP (Staffing for Disaster Management);
- 4.5.9 Functionality of ward based service delivery board.
- 4.5.10 Community feedback mechanisms,
- 4.5.11 Implementation of ward improvement plans.
- 4.5.12 Implementation of forensic reports and any related disciplinary misconduct cases.

Terms of reference for the appointment of Professional Service Provider to conduct Diagnostic Study in Limpopo Province Municipalities on behalf of the Department of Cooperative Governance, Human Settlements and Traditional Affairs

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### 5. METHODOLOGY

- 5.1 Both qualitative and quantitative methods to be utilised.
- 5.2 Data collection (i.e electronic questionnaires or physical interviews)
- 5.3 Desk top analysis
- 5.4 Interviews with key municipal and other relevant stakeholders;
  - a. Mayor/Executive Mayor
  - b. Municipal Manager
  - c. Directors
  - d. Portfolio Heads
  - e. Audit Committee
  - f. Internal Audit
  - g. MPAC Chairperson
  - h. Ward Committees
  - i. COGHSTA, SALGA, DWS, LEDET and Treasury Officials

### 6. SOURCE DOCUMENTS

- 6.1 MSA section 46 reports
- 6.2 MFMA Section 72 reports
- 6.3 MFMA Section 71 reports
- 6.4 Annual reports
- 6.5 MFMA Section 52
- 6.6 Back to Basics Reports
- 6.7 Outcome 9 reports and any other related reports.

### 7. DELIVERABLES

The main deliverables of this diagnostic study will be a report covering the following essentials elements:

- 7.1 An executive summary of the diagnostic performance report of the 27 municipalities showing overall performance trends from 2016/17 -2020/21 financial years.
- 7.2 A preliminary detailed report per municipality showing overall performance trends from 2016/17-2020/21 financial years.
- 7.3 The report should be constituted of structured graphical representation of the key performance areas.
- 7.4 Conduct feedback sessions to municipalities
- 7.5 A detailed provincial report with recommendations and required support/intervention in each municipality.
- 7.6 The recommendations should identify immediate (0-12 months), intermediate (1-2 years) and long term (5>) interventions.

### 8. DURATION

The contract will run for a period of four (4) months upon signing of the service level agreement.

### 9. COST IMPLICATIONS

Bidders must submit cash flow projections; linked to achievements of deliverables/outputs for the term of contract.

Terms of reference for the appointment of Professional Service Provider to conduct Diagnostic Study in Limpopo Province Municipalities on behalf of the Department of Cooperative Governance, Human Settlements and Traditional Affairs

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10. BID EVALUATION CRITERIA

This Bid will be evaluated in terms of the Preferential Procurement Policy Framework Act (Act No. 5 of 2000) and related regulations as follows:

The bid will be evaluated in three phases namely:

- Phase 1: Bid Conditions (Phase 1a: Administrative Compliance and Phase 1b: Mandatory Compliance)
- Phase 2: Technical/Functionality Evaluation.
- Phase 3: Price and B-BBEE Status of Level of Contributor.

The Department reserves the right to accept all, some, or none of the bids submitted – either wholly or in part.

10.1 PHASE 1a: Administrative Compliance

The following returnable documents and requirements must be adhered to and be provided in the proposals; failure to comply will result in an offer being disregarded and not considered for further evaluation:

- 10.1.1 Proof of Company Registration (CK) must be submitted.
- 10.1.2 Certified ID copies of directors, not older than six (6) months.
- 10.1.3 Completed and signed Compulsory Standard Bid Document (SBD1) which form part of the tender document.
- 10.1.4 Submission of the SBD 6.1 form is not mandatory, but failure to fully complete or submit same will result in zero B-BBEE points.
- 10.1.5 Submission of the SBD 3.3 form is not mandatory, failure to complete will result in the Department relying on the Price Proposals / Cost Breakdown submitted on 10.2.3 below.

NOTE:

- Submit original certified copies not older than six months.

10.2 PHASE 1b: Mandatory Compliance

The following returnable documents and requirements must be adhered to and be provided in the proposals; failure to comply will result in an offer being disregarded and not considered for further evaluation:

- 10.2.1 In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit separate required documents, any other clearance or registration forms.
- 10.2.2 Completed and signed Compulsory Standard Bid Document (SBD4) which form part of the tender document.
- 10.2.3 Price proposal(s) must be submitted on the company letter head; a breakdown of the price must indicate the following:
  - ✓ Total bid prices on Company's letterhead must be signed.
  - ✓ Price should include VAT (*where applicable*).
  - ✓ Prices should be firm as the Department will not allow any increases after appointment.
- 10.2.4 CV(s) and certified copies of original qualification of Researcher is required. Service providers with foreign qualifications must furnish the department with proof of accreditation by SAQA.
- 10.2.5 Closing time for all bids is 11h00 on the closing date. Bids received after the specified closing time on the closing date shall be regarded as late and will not be accepted and/or considered.
- 10.2.6 Bids submitted through e-mail or fax will not be considered.
- 10.2.7 Each bid should be lodged in a sealed separate envelope with the name and address of the bidder, bid number and closing date.
- 10.2.8 Bidders should make use of the prescribed bid documents. Do not retype or copy.
- 10.2.9 Use of tippex is prohibited.
- 10.2.10 No amendments without initializing will be accepted.

Terms of reference for the appointment of Professional Service Provider to conduct Diagnostic Study in Limpopo Province Municipalities on behalf of the Department of Cooperative Governance, Human Settlements and Traditional Affairs

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10.2.11 The department will not enter into a contract with service providers who are not registered on the Centralized Supplier Database (CSD).

10.2.12 Deviation from Specifications/Terms of Reference is not permitted.

**NOTE:**

- Submit original certified copies not older than six months.
- Service providers with foreign qualifications must furnish the department with proof of accreditation by SAQA

**10.3 Phase 2: Technical / Functionality Evaluation**

100% (80 points) will be allocated for technical requirements in accordance with the following rating scale:

**1 = Poor, 2 = Average, 3 = Good, 4 = Very Good, 5 = Excellent**

With regard(s) to functionality the following criteria will be applicable, and the maximum weight of each criterion is indicated hereunder:

Terms of reference for the appointment of Professional Service Provider to conduct Diagnostic Study in Limpopo Province Municipalities on behalf of the Department of Cooperative Governance, Human Settlements and Traditional Affairs

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<b>Criteria A: Tenderer's experience</b>		<b>Points</b>
<p><b>Approach and Methodology:</b> Technical approach in management of Research programmes:</p> <p>Project deliverables and reporting (5 points):</p> <ul style="list-style-type: none"> <li>▪ Initiation (01)</li> <li>▪ Planning (01)</li> <li>▪ Execution (01)</li> <li>▪ Monitoring (01)</li> <li>▪ Closure (01)</li> </ul> <p>Work breakdown Schedule (4 points):</p> <ul style="list-style-type: none"> <li>▪ Initiation (process of meeting stakeholder) (01)</li> <li>▪ Planning (collection tool, timelines analysis tool and reporting) (01)</li> <li>▪ Execution (Data collection and Analysis) (01)</li> <li>▪ Closure(report) (01)</li> </ul> <p>Project implementation Risks and Risk Management proposal (4 points):</p> <ul style="list-style-type: none"> <li>▪ Risk identification (02)</li> <li>▪ Mitigation (02)</li> </ul> <p>Manning schedule with organogram for the proposed project team (a minimum of five personnel excluding the Researcher) (6 points):</p> <p>Communication plan (3 points)</p> <ul style="list-style-type: none"> <li>▪ Key audience (01)</li> <li>▪ Messaging (01)</li> <li>▪ Timelines (01)</li> </ul> <p>Reporting (3 points)</p> <ul style="list-style-type: none"> <li>▪ Milestone reporting (01)</li> <li>▪ Draft report (01)</li> <li>▪ Closure report (01)</li> </ul>	<p>Rating of 5 = Score of 21-25 points Rating of 4 = Score of 16- 20 points Rating scale of 3 = Score of 11-15 points Rating scale of 2 = Score of 6 -10 points Rating scale of 1 = Score of 1-5 points</p>	<p><b>25</b></p>
<p><b>Project completed</b> (attach appointment letters with verifiable references and reference letters or completion certificates that indicate the start and completion dates for work done)</p>	<p>Number of projects completed of similar nature with verifiable references, appointment letters and completion certificates;</p> <p>Rating scale 5 (5 projects and above completed = 15 points) Rating scale 4 (4 projects completed = 12 points) Rating scale 3 (3 projects completed = 09 points) Rating scale 2 (2 projects completed = 06 points) Rating scale 1 (1 project completed = 03 points)</p>	<p><b>15</b></p>
<b>Criteria B: Experience of technical project team</b>		

Terms of reference for the appointment of Professional Service Provider to conduct Diagnostic Study in Limpopo Province Municipalities on behalf of the Department of Cooperative Governance, Human Settlements and Traditional Affairs

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Criteria	Qualifications	Relevant Work Experience	Points
Researcher	Bachelor Degree in Public Management, Humanities, Social Sciences or equivalent.  CVs and Original certified copies of qualifications must be submitted (mandatory)	Experience as Researcher  Rating scale 5 (5 years and above = 40 points) Rating scale 4 (4 but less than 5 year = 30 points) Rating scale 3 (3 but less than 4 years = 20 points) Rating scale 2 (2 but less than 3 years = 12 points) Rating scale 1 (1 but less than 2 years = 06 point)	40
<b>GRAND TOTAL</b>			<b>80</b>

**IMPORTANT NOTE:**

**A bid which scores less than sixty percent (60% or 48 points) in respect of the requirements in Technical or Functionality Evaluation will be deemed to be non-responsive.**

**10.4 Phase 3: Price and B-BBEE Status of Level of Contributor**

The adjudication of this bid will be based on the 80/20-point scoring system.

**10.4.1 Price**

Price will be allocated 80 points.

**10.4.2 B-BBEE Status Level of Contributor**

BBBEE Status Level will be allocated 20 points.

**In terms of the Preferential Procurement Regulations of 2017, the 80/20 preference points system is applicable for the acquisition of goods or service for rand value equal to or above R30 000 and up to R50 million.**

A maximum of 20 points will be awarded to a tenderer for attaining the B-BBEE status level of contributor in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (80/20 system)
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
<b>Non-compliant contributor</b>	<b>0</b>

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The points scored by a tenderer in respect of the B-BBEE status level of contribution will be added to the points scored by the said tenderer for price.

**11. COMPULSORY BRIEFING SESSION**

A meeting between prospective bidders and the Department for bid clarification purposes will be arranged within seven days after the bid has been published in the Limpopo Provincial Tender Bulletin and Departmental website. The date, time and venue of such a meeting will be announced in the Limpopo Provincial Tender Bulletin and Departmental website.

**12. SUBMISSION PROCEDURE**

All bids must be submitted in the Bid Box @ 20 Rabe Street, Cnr Landdros Mare & Rabe Streets, Polokwane addressed to:

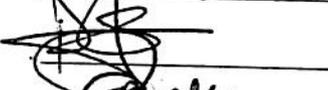
The Chief Director  
Supply Chain Management  
Department of Co-operative Governance, Human Settlements & Traditional Affairs  
Private Bag X9485  
Polokwane  
0700

**13. ENQUIRIES**

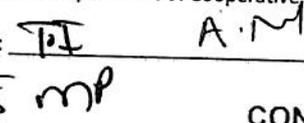
Should additional information or clarification be required regarding the terms of reference before the closing date of bid, contact may be made through telephone or email with the following officials:

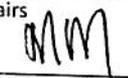
NAME	TELEPHONE	EMAIL ADDRESS
<b>Technical Enquiries</b>		
Moshoana D.J	015 284 5306/066 484 0023	MoshoanaDJ@coghsta.limpopo.gov.za
Mokou A.M	015 284 5347/072 185 3895	MokouAMA@coghsta.limpopo.gov.za
Ndzeru T.I	015 284 5625/063 685 1089	NdzeruTI@coghsta.limpopo.gov.za
Nake MP	015 284 5233/066 486 2570	Nakemp@coghsta.limpopo.gov.za
<b>Administrative Enquiries</b>		
Mokalapa M.J	015 294 2278	MokalapaMJ@coghsta.limpopo.gov.za
Masenya J.T	015 294 2310	MasenyaJT@coghsta.limpopo.gov.za
Masemola S.S	015 294 2024	MasemolaSS@coghsta.limpopo.gov.za

**DEPARTMENTAL BID SPECIFICATION COMMITTEE SIGNATURES**

Chairperson :   
Deputy Chairperson :   
Member :   
Member :   
HOD : 

Terms of reference for the appointment of Professional Service Provider to conduct Diagnostic Study in Limpopo Province Municipalities on behalf of the Department of Cooperative Governance, Human Settlements and Traditional Affairs

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LIMPOPO  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF  
CO-OPERATIVE GOVERNANCE,  
HUMAN SETTLEMENTS & TRADITIONAL AFFAIRS

# TERMS OF REFERENCE

FOR THE APPOINTMENT OF A SERVICE  
PROVIDER TO CONDUCT DIAGNOSTIC STUDY IN  
LIMPOPO PROVINCE MUNICIPALITIES ON  
BEHALF OF THE DEPARTMENT OF COOPERATIVE  
GOVERNANCE, HUMAN SETTLEMENTS AND  
TRADITIONAL AFFAIRS

Terms of reference for the appointment of Professional Service Provider to conduct Diagnostic Study in Limpopo Province Municipalities on behalf of the Department of Cooperative Governance, Human Settlements and Traditional Affairs

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TERMS OF REFERENCE FOR THE APPOINTMENT OF PROFESSIONAL SERVICE PROVIDER TO CONDUCT DIAGNOSTIC STUDY IN LIMPOPO PROVINCE MUNICIPALITIES ON BEHALF OF THE DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS

1. PURPOSE

The purpose of this project is to conduct diagnostic study in all twenty-seven (27) Limpopo municipalities looking at their performance since 2016/17 financial year to 2020/21 financial year and compile a report per municipality with specific recommendations on areas that would require improvement or attention by both municipalities and the department/provincial government.

2. BACKGROUND

Local government is where most citizens interface with government, and its foundational ethos must be about serving people. The core services that local government provides - clean drinking water, sanitation, electricity, shelter, waste removal and roads - are basic human rights, essential components of the right to dignity enshrined in our Constitution and Bill of Rights. The vision of developmental local government, as outlined primarily in the 1998 White Paper on Local Government was that it would be the building block on which the reconstruction and development of society is built, a place in which the citizens could engage in a meaningful and direct way with the institutions of the state.

Section 152 of the Constitution mandates local government to structure its administration, budgeting and planning processes to promote the social and economic development of the community. Informed by the Constitutional provisions, the 1998 White Paper on Local Government provides four characteristics of developmental local government namely:

- a. Maximizing social development and economic growth;
- b. Integrating and coordinating;
- c. Leading and learning; and
- d. Democratizing development.

These characteristics, supported by the various functions of Local Government as outlined in Schedules 4B and Schedule 5B of the Constitution, as well as other sectoral legislative and policy provisions, provide a clear framework and basis for developmental local government functioning and characteristics.

The Department of Co-operative Governance, Human Settlements & Traditional Affairs is mandated to monitor, assess, and provide support to municipalities in the performance of their powers and functions.

The Constitution of the Republic of South Africa, 1996 section (152)(2) prescribes that a municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection(1).

Section (154)(1) of the Act supra further prescribes that the national and provincial governments, by legislative and other measures, must support, strengthen the capacity of municipalities to manage their own affairs and to perform their functions.

Section 155(6) further prescribes that each provincial government must establish municipalities in its province in a manner consistent with the legislation enacted in terms of subsections (2) and (3) and, by legislative and other measures, must-

- a. provide for the monitoring and support of local government in the province; and
- b. promote the development of local government capacity to enable municipalities to perform their functions and manage their own affairs.

Terms of reference for the appointment of Professional Service Provider to conduct Diagnostic Study in Limpopo Province Municipalities on behalf of the Department of Cooperative Governance, Human Settlements and Traditional Affairs

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Local Government: Municipal Systems Act, No. 32 of 2000 section (47) (1) prescribes that The MEC for local government must annually compile and submit to the provincial legislatures and the Minister a consolidated report on the performance of municipalities in the province.

Section (105)(1) of the Municipal Systems Act requires the MEC for local government in a province to establish mechanisms processes and procedures in terms of section 155(6) of the Constitution to:

- a. monitor municipalities in the province in managing their own affairs, exercising their powers and performing their functions;
- b. monitor the development of local government capacity in the province; and
- c. Assess the support needed by municipalities to strengthen their capacity to manage their own affairs, exercise their powers and perform their functions.

The department is further empowered by the following legislations;

- a. Intergovernmental Relations Framework Act, No.13 of 2005 and related regulations.
- b. Municipal Finance Management Act (MFMA), No.56 of 2003 and regulations.
- c. Municipal Property Rates Act (MPRA), No.6 of 2004 and regulations.

### 3. OBJECTIVES

The Department intends to conduct a diagnostic assessment of performance of municipalities in terms of their powers and functions as espoused in schedule 4b and 5b of the Constitution read together with section 84 of the Municipal Structures Act in order to:

- a. Determine the performance and capacity of municipalities in the performance of their duties as per the applicable legislative and policy provisions;
- b. Inform the development of the provincial capacity development framework;
- c. Enable the provincial government and other partners to take informed decisions when determining the need for support, capacity and interventions in municipalities in a differentiated manner;
- d. To collect information/data that may be utilized by different sectors in the course of decision making on capacity initiatives.

### 4. SCOPE OF THE DIAGNOSTIC STUDY

The diagnostic study should focus on the following key performance areas among others including the five pillars of Back to Basics from 2016/17 financial year to 2020/2021 with clear performance trends;

#### 4.1 Key Performance Area 1: Municipal Transformation and Institutional Development; (Building Institutional and Administrative Capabilities)

This focus area measures the extent to which the administrative and overall management capacity are developed with special emphasis on organizational design and human resources capacity, employment equity, capacity for strategic planning in the form of IDP, labour relations and performance management within the municipality.

- 4.1.1 Availability of Business Continuity Plan
- 4.1.2 Availability of required ICT Governance Policies
- 4.1.3 Review of the asset management and maintenance functions.
- 4.1.4 Analysis of the current state of affairs, data on vacancies, and number of senior managers compliant with minimum competency regulations and upper limits for total remuneration packages.
- 4.1.5 Implementation of performance management systems.
- 4.1.6 Realistic and affordable organograms underpinned by a service delivery model.
- 4.1.7 Implementable human resources development and management programmes.

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4.1.8 Effective and efficient organized labour relations that seeks to minimize disputes and disruptions.

**4.2 Key Performance Area 2: Basic Service Delivery and Infrastructure Development;**

The focus is on accelerating basic service delivery in order to reduce service delivery backlog as well as the ability of local government to develop infrastructure that will sustain the provision of the municipal services. It is measuring whether there is progress towards provision of water, sanitation, electricity, waste removal, roads and storm water, operations and maintenance and the state of readiness to deliver housing in partnership with the provincial government. Equally the capacity to implement infrastructure projects funded through MIG, WSIG, RBIG, INEP and other related grants. This does not excluded own funded capital projects.

It also focuses on the national priorities in line with the National Development Plan and Limpopo Growth Development Plan.

- 4.2.1 Availability of infrastructure sector plans for the municipality, their status and recommendations thereof.
- 4.2.2 Availability of Standard Operating Procedures.
- 4.2.3 Establish a performance baseline on a number of critical aspects that informs detailed and project-specific "impacts, outputs and performance indicators" for accelerated infrastructure delivery. The baseline to include:
- 4.2.4 The level of spending on capital projects and infrastructure maintenance for the period under review.
- 4.2.5 Schedule of assets and the state of their maintenance. Based on the municipal reports and any studies conducted.
- 4.2.6 Procurement, financial and contract management challenges/issues related to infrastructure delivery.
- 4.2.7 Record of procurements (number, size and timelines) and procurement management challenges/issues including the governance and effectiveness of various procurement committees. The absence / availability of functioning contracts committees (and support processes).
- 4.2.8 Analysis of the municipal absorption capacity and capability to manage infrastructure grants;
- 4.2.9 Increase access to quality, reliable and sustainable basic levels of service; water and sanitation, electricity, waste management, roads and public transport infrastructure.
- 4.2.10 Analysis of the capacity and provisioning of Free Basic Services and maintenance of indigent register.
- 4.2.11 Operations and maintenance.

**4.3 Key Performance Area 3: Spatial Planning and Local Economic Development**

This focuses on the strategic intent, as well as the ability to implement local economic development through an integrated local development strategy. The key aspect is on assessing whether municipalities had an approved local economic development strategy which was implemented, if there is sufficient capacity within the municipality to drive local economic development. The intention of the strategy should be to alleviate poverty and create job opportunities through the competitive advantage of the municipal economies.

- 4.3.1 Implementation of LED programmes and projects (LED plans and strategies)
- 4.3.2 Functionality of LED/Sector forums or LED coordination mechanisms.
- 4.3.3 Capacity of LED staff and availability of designated LED structures
- 4.3.4 Availability of LED budget
- 4.3.5 Analysis of the development and implementation of an infrastructure development plan underpinning the spatial development programme.
- 4.3.6 Development/implementation of more detailed spatial development strategies for growth points
- 4.3.7 Impact of Community Works Programme in participating municipalities

**4.4 Key Performance Area 4: Financial Viability and Management (Sound Financial Management).**

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The critical element of this focus area provides the extent at which municipalities develop the capacity to implement and comply with the MFMA and MPRA requirements. The capacity to raise revenue through municipal trading services as well as overall budget and expenditure management. The status quo in terms of Auditor General's reports on municipal audit both financial and performance audit. Functionality of Internal audit and Performance/Audit Committees.

- 4.4.1 Determine current level of capacity v/s required in terms of planning and budget alignment in the municipalities from strategic to operational level;
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- 4.4.10 Payment of government, municipal, business and residents debts.

**4.5 Key Performance Area 5: Good Governance and Public Participation (Putting People First)**

- 4.5.1 This area focuses on the running of council, establishment and functionality of ward committees and the extent to public participation, oversight and cooperative governance is exercised in municipalities.
- 4.5.2 Enforcement and compliance with legislative frameworks.
- 4.5.3 Community public participation.
- 4.5.4 Accountability by public representatives to communities they serve.
- 4.5.5 Responsiveness/Feedback by ward councilors.
- 4.5.6 Participatory governance in terms of ward committees, Intergovernmental relations and municipal councils.
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- 4.5.8 Enlisting Disaster projects in the IDP and SDBIP (Staffing for Disaster Management);
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- 4.5.10 Community feedback mechanisms,
- 4.5.11 Implementation of ward improvement plans.
- 4.5.12 Implementation of forensic reports and any related disciplinary misconduct cases.

Terms of reference for the appointment of Professional Service Provider to conduct Diagnostic Study in Limpopo Province Municipalities on behalf of the Department of Cooperative Governance, Human Settlements and Traditional Affairs

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**5. METHODOLOGY**

- 5.1 Both qualitative and quantitative methods to be utilised.
- 5.2 Data collection (i.e electronic questionnaires or physical interviews)
- 5.3 Desk top analysis
- 5.4 Interviews with key municipal and other relevant stakeholders;
  - a. Mayor/Executive Mayor
  - b. Municipal Manager
  - c. Directors
  - d. Portfolio Heads
  - e. Audit Committee
  - f. Internal Audit
  - g. MPAC Chairperson
  - h. Ward Committees
  - i. COGHSTA, SALGA, DWS, LEDET and Treasury Officials

**6. SOURCE DOCUMENTS**

- 6.1 MSA section 46 reports
- 6.2 MFMA Section 72 reports
- 6.3 MFMA Section 71 reports
- 6.4 Annual reports
- 6.5 MFMA Section 52
- 6.6 Back to Basics Reports
- 6.7 Outcome 9 reports and any other related reports.

**7. DELIVERABLES**

The main deliverables of this diagnostic study will be a report covering the following essentials elements:

- 7.1 An executive summary of the diagnostic performance report of the 27 municipalities showing overall performance trends from 2016/17 -2020/21 financial years.
- 7.2 A preliminary detailed report per municipality showing overall performance trends from 2016/17-2020/21 financial years.
- 7.3 The report should be constituted of structured graphical representation of the key performance areas.
- 7.4 Conduct feedback sessions to municipalities
- 7.5 A detailed provincial report with recommendations and required support/intervention in each municipality.
- 7.6 The recommendations should identify immediate (0-12 months), intermediate (1-2 years) and long term (5>) interventions.

**8. DURATION**

The contract will run for a period of four (4) months upon signing of the service level agreement.

**9. COST IMPLICATIONS**

Bidders must submit cash flow projections; linked to achievements of deliverables/outputs for the term of contract.

Terms of reference for the appointment of Professional Service Provider to conduct Diagnostic Study in Limpopo Province Municipalities on behalf of the Department of Cooperative Governance, Human Settlements and Traditional Affairs

Initials of DBSC members:

T.I  
D.S  
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A.M

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Initials of HOD

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**10. BID EVALUATION CRITERIA**

This Bid will be evaluated in terms of the Preferential Procurement Policy Framework Act (Act No. 5 of 2000) and related regulations as follows:

**The bid will be evaluated in three phases namely:**

Phase 1: Bid Conditions (Phase 1a: Administrative Compliance and Phase 1b: Mandatory Compliance)

Phase 2: Technical/Functionality Evaluation.

Phase 3: Price and B-BBEE Status of Level of Contributor.

The Department reserves the right to accept all, some, or none of the bids submitted – either wholly or in part.

**10.1 PHASE 1a: Administrative Compliance**

The following returnable documents and requirements must be adhered to and be provided in the proposals; failure to comply will result in an offer being disregarded and not considered for further evaluation:

- 10.1.1 Proof of Company Registration (CK) must be submitted.
- 10.1.2 Certified ID copies of directors, not older than six (6) months.
- 10.1.3 Completed and signed Compulsory Standard Bid Document (SBD1) which form part of the tender document.
- 10.1.4 Submission of the SBD 6.1 form is not mandatory, but failure to fully complete or submit same will result in zero B-BBEE points.
- 10.1.5 Submission of the SBD 3.3 form is not mandatory, failure to complete will result in the Department relying on the Price Proposals / Cost Breakdown submitted on 10.2.3 below.

**NOTE:**

- Submit original certified copies not older than six months.

**10.2 PHASE 1b: Mandatory Compliance**

The following returnable documents and requirements must be adhered to and be provided in the proposals; failure to comply will result in an offer being disregarded and not considered for further evaluation:

- 10.2.1 In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit separate required documents, any other clearance or registration forms.
- 10.2.2 Completed and signed Compulsory Standard Bid Document (SBD4) which form part of the tender document.
- 10.2.3 Price proposal(s) must be submitted on the company letter head; a breakdown of the price must indicate the following:
  - ✓ Total bid prices on Company's letterhead must be signed.
  - ✓ Price should include VAT (*where applicable*).
  - ✓ Prices should be firm as the Department will not allow any increases after appointment.
- 10.2.4 CV(s) and certified copies of original qualification of Researcher is required. Service providers with foreign qualifications must furnish the department with proof of accreditation by SAQA.
- 10.2.5 Closing time for all bids is 11h00 on the closing date. Bids received after the specified closing time on the closing date shall be regarded as late and will not be accepted and/or considered.
- 10.2.6 Bids submitted through e-mail or fax will not be considered.
- 10.2.7 Each bid should be lodged in a sealed separate envelope with the name and address of the bidder, bid number and closing date.
- 10.2.8 Bidders should make use of the prescribed bid documents. Do not retype or copy.
- 10.2.9 Use of tippex is prohibited.
- 10.2.10 No amendments without initializing will be accepted.

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D.S. M.P.

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10.2.11 The department will not enter into a contract with service providers who are not registered on the Centralized Supplier Database (CSD).

10.2.12 Deviation from Specifications/Terms of Reference is not permitted.

**NOTE:**

- Submit original certified copies not older than six months.
- Service providers with foreign qualifications must furnish the department with proof of accreditation by SAQA

**10.3 Phase 2: Technical / Functionality Evaluation**

100% (80 points) will be allocated for technical requirements in accordance with the following rating scale:

1 = Poor, 2 = Average, 3 = Good, 4 = Very Good, 5 = Excellent

With regard(s) to functionality the following criteria will be applicable, and the maximum weight of each criterion is indicated hereunder:

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Criteria A: Tenderer's experience		Points
<p><b>Approach and Methodology:</b>                      Technical approach in management of Research programmes:</p> <p>Project deliverables and reporting (5 points):</p> <ul style="list-style-type: none"> <li>▪ Initiation (01)</li> <li>▪ Planning (01)</li> <li>▪ Execution (01)</li> <li>▪ Monitoring (01)</li> <li>▪ Closure (01)</li> </ul> <p>Work breakdown Schedule (4 points):</p> <ul style="list-style-type: none"> <li>▪ Initiation (process of meeting stakeholder) (01)</li> <li>▪ Planning (collection tool, timelines analysis tool and reporting) (01)</li> <li>▪ Execution (Data collection and Analysis) (01)</li> <li>▪ Closure(report) (01)</li> </ul> <p>Project implementation Risks and Risk Management proposal (4 points):</p> <ul style="list-style-type: none"> <li>▪ Risk identification (02)</li> <li>▪ Mitigation (02)</li> </ul> <p>Manning schedule with organogram for the proposed project team (a minimum of five personnel excluding the Researcher) (6 points):</p> <p>Communication plan (3 points)</p> <ul style="list-style-type: none"> <li>▪ Key audience (01)</li> <li>▪ Messaging (01)</li> <li>▪ Timelines (01)</li> </ul> <p>Reporting (3 points)</p> <ul style="list-style-type: none"> <li>▪ Milestone reporting (01)</li> <li>▪ Draft report (01)</li> <li>▪ Closure report (01)</li> </ul>	<p>Rating of 5 = Score of 21-25 points                      Rating of 4 = Score of 16- 20 points                      Rating scale of 3 = Score of 11-15 points                      Rating scale of 2 = Score of 6 -10 points                      Rating scale of 1 = Score of 1-5 points</p>	25
<p><b>Project completed</b> (attach appointment letters with verifiable references and reference letters or completion certificates that indicate the start and completion dates for work done)</p>	<p>Number of projects completed of similar nature with verifiable references, appointment letters and completion certificates;</p> <p>Rating scale 5 (5 projects and above completed = 15 points)                      Rating scale 4 (4 projects completed = 12 points)                      Rating scale 3 (3 projects completed = 09 points)                      Rating scale 2 (2 projects completed = 06 points)                      Rating scale 1 (1 project completed = 03 points)</p>	15
<p><b>Criteria B: Experience of technical project team</b></p>		

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Criteria	Qualifications	Relevant Work Experience	Points
Researcher	Bachelor Degree in Public Management, Humanities, Social Sciences or equivalent.  CVs and Original certified copies of qualifications must be submitted (mandatory)	Experience as Researcher  Rating scale 5 (5 years and above = 40 points) Rating scale 4 (4 but less than 5 year = 30 points) Rating scale 3 (3 but less than 4 years = 20 points) Rating scale 2 (2 but less than 3 years = 12 points) Rating scale 1 (1 but less than 2 years = 06 point)	40
<b>GRAND TOTAL</b>			<b>80</b>

**IMPORTANT NOTE:**

**A bid which scores less than sixty percent (60% or 48 points) in respect of the requirements in Technical or Functionality Evaluation will be deemed to be non-responsive.**

**10.4 Phase 3: Price and B-BBEE Status of Level of Contributor**

The adjudication of this bid will be based on the 80/20-point scoring system.

**10.4.1 Price**

Price will be allocated 80 points.

**10.4.2 B-BBEE Status Level of Contributor**

BBBEE Status Level will be allocated 20 points.

In terms of the Preferential Procurement Regulations of 2017, the 80/20 preference points system is applicable for the acquisition of goods or service for rand value equal to or above R30 000 and up to R50 million.

A maximum of 20 points will be awarded to a tenderer for attaining the B-BBEE status level of contributor in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (80/20 system)
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
<b>Non-compliant contributor</b>	<b>0</b>

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The points scored by a tenderer in respect of the B-BBEE status level of contribution will be added to the points scored by the said tenderer for price.

**11. COMPULSORY BRIEFING SESSION**

A meeting between prospective bidders and the Department for bid clarification purposes will be arranged within seven days after the bid has been published in the Limpopo Provincial Tender Bulletin and Departmental website. The date, time and venue of such a meeting will be announced in the Limpopo Provincial Tender Bulletin and Departmental website.

**12. SUBMISSION PROCEDURE**

All bids must be submitted in the Bid Box @ 20 Rabe Street, Cnr Landdros Mare & Rabe Streets, Polokwane addressed to:

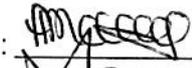
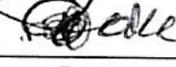
The Chief Director  
Supply Chain Management  
Department of Co-operative Governance, Human Settlements & Traditional Affairs  
Private Bag X9485  
Polokwane  
0700

**13. ENQUIRIES**

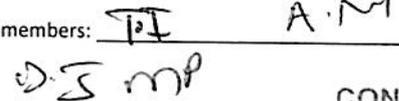
Should additional information or clarification be required regarding the terms of reference before the closing date of bid, contact may be made through telephone or email with the following officials:

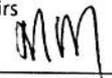
NAME	TELEPHONE	EMAIL ADDRESS
<b>Technical Enquiries</b>		
Moshoana D.J	015 284 5306/066 484 0023	MoshoanaDJ@coghsta.limpopo.gov.za
Mokou A.M	015 284 5347/072 185 3895	MokouAMA@coghsta.limpopo.gov.za
Ndzeru T.I	015 284 5625/063 685 1089	NdzeruTI@coghsta.limpopo.gov.za
Nake MP	015 284 5233/066 486 2570	Nakemp@coghsta.limpopo.gov.za
<b>Administrative Enquiries</b>		
Mokalapa M.J	015 294 2278	MokalapaMJ@coghsta.limpopo.gov.za
Masanya J.T	015 294 2310	MasanyaJT@coghsta.limpopo.gov.za
Masemola S.S	015 294 2024	MasemolaSS@coghsta.limpopo.gov.za

**DEPARTMENTAL BID SPECIFICATION COMMITTEE SIGNATURES**

Chairperson :   
Deputy Chairperson :   
Member :   
Member :   
HOD : 

Terms of reference for the appointment of Professional Service Provider to conduct Diagnostic Study in Limpopo Province Municipalities on behalf of the Department of Cooperative Governance, Human Settlements and Traditional Affairs

Initials of DBSC members: 

Initials of HOD 

**THE NATIONAL TREASURY**

**Republic of South Africa**



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**GOVERNMENT PROCUREMENT:  
GENERAL CONDITIONS OF CONTRACT**

**July 2010**

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

**NOTES**

The purpose of this document is to:

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

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

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

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1. Definitions
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## General Conditions of Contract

### 1. Definitions

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

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RSA.

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

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obligations of the supplier covered under the contract.

1.25 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

## 2. Application

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

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

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

## 3. General

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

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

## 4. Standards

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

## 5. Use of contract documents and information; inspection.

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

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

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

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

## 6. Patent rights

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

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**7. Performance security**

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

**8. Inspections, tests and analyses**

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or

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

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

### 9. Packing

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

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

### 10. Delivery and documents

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

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

### 11. Insurance

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

### 12. Transportation

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

### 13. Incidental services

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

- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
- (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

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

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

#### 14. Spare parts

14.1 As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
- (b) in the event of termination of production of the spare parts:
  - (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
  - (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

#### 15. Warranty

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

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

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

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

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take

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such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

**16. Payment**

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

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

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

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

**17. Prices**

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

**18. Contract amendments**

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

**19. Assignment**

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

**20. Subcontracts**

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

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

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

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

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

21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the

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supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

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

## 22. Penalties

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

## 23. Termination for default

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

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

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

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

23.4 If a purchaser intends imposing a restriction on a supplier or any

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person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

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

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

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

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

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

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

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

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may be due to him

**25. Force Majeure**

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

**26. Termination for insolvency**

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

**27. Settlement of Disputes**

- 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5 Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
  - (b) the purchaser shall pay the supplier any monies due the supplier.

**28. 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

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- (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.
- 29.1 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.
- 30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
- 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.
- 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
- 33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.
- 34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
- 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

**29. Governing language**

**30. Applicable law**

**31. Notices**

**32. Taxes and duties**

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

**34. Prohibition of Restrictive practices**

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

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