



RAND WEST CITY
LOCAL MUNICIPALITY

RAND WEST CITY LOCAL MUNICIPALITY

RWCLM-7/002/2022/2023
TENDER DOCUMENT

APPOINTMENT OF SERVICE PROVIDER FOR COMPILATION OF THE SUPPLEMENTARY VALUATION ROLL 1 (SUP 1) FOR RAND WEST CITY LOCAL MUNICIPALITY IN COMPLIANCE WITH THE LOCAL GOVERNMENT MUNICIPAL PROPERTY RATES ACT, 2004 (ACT NO. 6 OF 2004 FOR THE PERIOD OF 36 MONTHS AS AN WHEN NEEDED

Name of Tenderer : _____
Address : _____

Tel. Number : _____
Cell number : _____
Fax number : _____
E-mail : _____
Total Amount : _____

ISSUED BY;

THE MUNICIPAL MANAGER

Rand West City Local

Municipality

P O Box 218

Randfontein

1760

Tel: 011 411 0051

Fax: 011 693 3865

Special conditions of contract and required documentation

The following mandatory documents must be submitted with the tender document and failure to submit either may lead to your submission being declared non-responsive:

- Prices must be valid for at least ninety (90) days from the closing date and must be inclusive of VAT if the bidder is a VAT vendor.
- A valid Tax Clearance Certificate and Tax Compliance status document with PIN from SARS.
- Proof of registration with the National Treasury Central Supplier Database (a bidder must attach CSD registration report with Supplier No. and Unique Code).
- Original BBBEE certificate, certified copy or a certified original copy of EME or QSE verified affidavit in the case of EMEs and QSEs. Failure to submit either will lead in the bidder scoring no points for BBBEE. Must be a consolidated certificate for Joint Ventures.
- Certified copies of Company Registration Documents and ID copies of company directors
- Completed MBD FORMS.
- A current municipal account statement reflecting the bidder is not in arrears for more than 3 months, lease agreement or SAPS affidavit stating that the bidder not obliged to pay municipal rates.

NB: No bids will be considered from persons in the service of the state.

BIDDERS SHOULD ALSO TAKE NOTE OF THE FOLLOWING BID CONDITIONS:

- The Rand West City Local Municipality Supply Chain Management Policy will apply.
- The Rand West City Local Municipality does not bind itself to accept the lowest bid or any other bid and reserves the right to accept the bid in whole or in part.
- Bids, which are late, incomplete, unsigned, faxed or sent electronically, will not be accepted.
- The latest General Conditions of Contract and any Special Conditions of Contract will apply.
- The bid will be evaluated on local production content the minimum threshold as stipulated by the DTI in each designated sector will apply.
- For all procurement that exceed 10 Million, (all application taxes included) bidders must submit the audited annual financial statements for the past three years.
- The municipality reserve the right for appoint more than one service provider.

Compulsory Briefing Session as Follows:

Date: 11 MAY 2023

Time: 10:00am

Venue: Corner Fedler and Second Street, Randfontein

Failure to comply with these conditions may invalidate your offer.

Acknowledgement

Signature

Date



PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF MUNICIPALITY/ MUNICIPAL ENTITY)					
BID NUMBER:	RWCLM-7/002/2022/2023	CLOSING DATE:	06 JUNE 2023	CLOSING TIME:	11:00
DESCRIPTION	APPOINTMENT OF SERVICE PROVIDER FOR COMPILATION OF THE SUPPLEMENTARY VALUATION ROLL 1 (SUP 1) FOR RAND WEST CITY LOCAL MUNICIPALITY IN COMPLIANCE WITH THE LOCAL GOVERNMENT MUNICIPAL PROPERTY RATES ACT, 2004 (ACT NO. 6 OF 2004 FOR THE PERIOD OF 36 MONTHS AS AN WHEN NEEDED)				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
CNR Fedler and Second Street					
Randfontein					
1760					
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	☐ 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 PART B:3]	
TOTAL NUMBER OF ITEMS OFFERED			Pricing		
SIGNATURE OF BIDDER	.....		DATE		
CAPACITY UNDER WHICH THIS BID IS SIGNED					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:			TECHNICAL INFORMATION MAY BE DIRECTED TO:		
DEPARTMENT	SCM		CONTACT PERSON	George Ramovha	
CONTACT PERSON	Mpho Gafane		TELEPHONE NUMBER	011 411 0000	
TELEPHONE NUMBER	010 496 5636		FACSIMILE NUMBER		
FACSIMILE NUMBER			E-MAIL ADDRESS	George.Ramovha@randwestcity.gov.za	
E-MAIL ADDRESS	Mpho.Gafane@randwestcity.gov.za				

PART B

TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:										
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION. 1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED-(NOT TO BE RE-TYPED) OR ONLINE 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.										
2. TAX COMPLIANCE REQUIREMENTS										
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS. 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS. 2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA. 2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B.3. 2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID. 2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER. 2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.										
3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS										
<table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?</td> <td style="text-align: right;">☐ YES ☐ NO</td> </tr> <tr> <td>3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?</td> <td style="text-align: right;">☐ YES ☐ NO</td> </tr> <tr> <td>3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?</td> <td style="text-align: right;">☐ YES ☐ NO</td> </tr> <tr> <td>3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?</td> <td style="text-align: right;">☐ YES ☐ NO</td> </tr> <tr> <td>3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?</td> <td style="text-align: right;">☐ YES ☐ NO</td> </tr> </table> IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.	3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	☐ YES ☐ NO	3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?	☐ YES ☐ NO	3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	☐ YES ☐ NO	3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	☐ YES ☐ NO	3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	☐ YES ☐ NO
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3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	☐ YES ☐ NO									
3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	☐ YES ☐ NO									

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

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

DATE:

TERMS OF REFERENCE

COMPILATION OF THE SUPPLEMENTARY VALUATION ROLL 1 (SUP 1) FOR RAND WEST CITY LOCAL MUNICIPALITY IN COMPLIANCE WITH THE LOCAL GOVERNMENT: MUNICIPAL PROPERTY RATES ACT, 2004 (ACT NO. 6 OF 2004 FOR THE PERIOD OF 36 MONTHS AS AN WHEN NEEDED.

The **Rand West City Local Municipality** is calling for tenders from experienced and suitably qualified **Professional Valuers** or **Professional Associated Valuers** to provide valuations of the **mining property and mining rights of all mining companies** within the boundaries of this municipal jurisdiction.

The preparation of the Supplementary Valuation Roll 1 is the process which platforms a substantial percentage of the Municipality's income and therefore the Municipality could suffer significant detriment if the professional services provided are not accurate. There is also a significant customer service focus associated with the valuation process that impacts on the Municipality's image.

The successful Tenderer must commit him/herself to strict confidentiality both during and after the valuation task.

The Tenderer must ensure that no conflict of interest occurs during the valuation process and if any potential conflict arises, the Tenderer must advise the municipality accordingly.

The Tenderer will be required to prepare a project plan in terms of Schedule 7. The Municipality must be assured of the tenderers understanding of the process and will adjudicate the tender accordingly.

The Municipality will provide the Tenderer with certain data as detailed hereunder.

Any further data or information required in order to fulfill the requirements of the Act and the specific requirements of the Municipality shall be for the sole account and responsibility of the Tenderer.

2. QUALIFICATION OF MUNICIPAL VALUER AND/OR ASSISTANT MUNICIPAL VALUER

In terms of Section 39 (1) (a) only a person registered as a Professional Valuer or Professional Associated Valuer in terms of the Property Valuers Profession Act, 47 (Act No. 47 of 2000) may be designated as the Municipal Valuer.

The Tenderer must nominate a person to be designated as a Principle Municipal Valuer and other Assistant Municipal Valuers, who will report to the Principle Municipal Valuer, by completing **Schedules 1 and 2**.

The Municipality reserves the right to:- Fully investigate the qualifications, experience and performance of the Tenderer's nominated person/s in terms of **Schedules 1 and 2** hereof by reference to:

- 1 Compilation of previous municipal valuation rolls relating to mining properties.
- 2 Previous valuation appeal board hearings as an expert witness to Valuation Appeal Board hearings relating to mining properties;
- 3 Appeal board hearings relating to mining properties;
- 4 Arbitration and supreme court cases relating to mining properties;
- 5 General standing of the nominated person/s within the valuation profession;
- 6 Municipality shall be entitled to obtain reference from any professional body that the nominated person/s is associated with;
- 7 Municipality reserves the right to interview the nominated person/s

The Tenderer's nominated person/s if appointed by the Municipality as Principle Municipal Valuer may not cede or assign his appointment to any other valuer unless such cession and/or assignment has been approved in writing by the Municipality. Should such person/s for any reason whatsoever no longer be associated or employed by Tenderer, the Municipality reserves the right to cancel this agreement and hold the Tenderer and/or appointed Principle Municipal Valuer liable for any damages it may suffer as a result thereof.

The Municipality shall not be obliged to approve any request for cession and/or assignment.

The nominated and designated Principle Municipal Valuer will be responsible for the full compliance of the functions and duties of the valuer/s as set out in the Act as well as fulfilling all the requirements of this tender.

The Municipal Valuer and/or Assistant Municipal Valuer/s do by their signature on **Schedule 1 and 2** bind themselves jointly and severally with the Tenderer to fulfill all terms and conditions of this Tender together with all schedules. Should the Tenderer nominate further Valuers, such Valuers shall comply fully with this Tender and Schedules.

The Municipal Valuer and/or other Assistant Municipal Valuers will be required upon appointment, to comply in terms of Section 43(1)(c) with the Code of Conduct set out in Schedule 2 of the Municipal Systems Act 2000 (Act No. 32 of 2000).

3. SERVICES REQUIRED

Tenders are invited from experienced and suitably qualified Tenderers to compile and maintain Supplementary Valuation Roll 1, with date of valuation of 1 September 2020, relevant for the financial period 01 July 2022 to 30 June 2026.

Tender's nominated person/s will be required to undertake the following functions and/or services:

- (1) Valuation of properties categorised as Mining in terms of section 8(2)
- (2) Compliance with the provisions of Section 30.
- (3) Compile the valuation rolls as at date of valuation in terms of Section 31.
- (4) Comply fully with Section 34 – Functions of Municipal Valuer.
- (5) Section 36 – Data Collectors. Assume responsibility of their performance
- (6) Comply with Section 37 – Delegation where applicable and if necessary.
- (7) Comply with Section 39 – Qualifications of Municipal Valuers
- (8) Comply with Section 40 – Prescribed Declarations.
- (9) Comply with Section 41 – Inspection of property within defined days and times.
- (10) Comply with Section 42 – Access to information.
- (11) Comply with Section 43 – Conduct of Valuers.
- (12) Comply with Section 44 – Protection of Information.
- (13) Comply with Section 45 – Valuation Methodology and Section 13 hereof.
- (14) Comply with Section 46 – General basis of valuation.
- (15) Comply with Section 47 – Sectional Title Schemes.
- (16) Comply with Section 48 – Content of valuation roll including any additional information that the Municipality may require in terms of this tender.
- (17) Comply with Section 51 – Processing of objections, if so required by Municipality.
- (18) Comply with Section 52 (1)(3) – Compulsory review.
- (19) Comply with Section 53 – Notification.
- (20) Comply with Section 69 – Decision of Valuation Appeal Board and Section 34(f).
- (21) Comply with Section 78 – Supplementary Valuation 1 (Sup 1).
- (22) Comply with Section 81 & 82 of the Act. – Tenderers/ Nominated Person/s shall provide and make available all data and valuations for purposes of internal monitoring by the Municipality as well as monitoring by the MEC for local government in terms of Section 81(1) of the Act and the Minister in terms of Section 82(1) of the Act. Such data will be available in a format that is easy to read, understand and interpret.

4. DEFINITIONS

Date of Valuation:	shall mean 01 September 2020;
Date of Draft Submission:	shall mean the date upon which the Municipality requires the Tenderer to submit data relevant to the valuation roll to enable the Municipality to use such data in the preparation of their rates policy and tariffs;
Date of Final Submission:	shall mean the date upon which the valuations to be undertaken by the Tenderer are to be handed to the Municipality by the Tenderer.
Specialized Properties:	All mining properties and mining rights.
Data and Information:	includes valuations, calculations, spreadsheets, data bases, files, maps analysis and systems, whether electronic or hard copy, photographs, field sheets, aerial photographs and/or satellite imagery and/or copies thereof, GIS data, including cadastral and other spatial data, deeds records, sale and rental records and/or any other information that is obtained and used in the fulfilment of this tender.
Data Ownership:	all data obtained, collected and/or utilized in the compilation and maintenance of the valuation roll and supplementary valuation rolls belongs to the Municipality .
Data Transfer:	all data utilized and/or collected by Tenderer including that of the data captures, will be transferred by the Tenderer to the Municipality on a minimum of a monthly basis and in a format mutually agreed upon. Wherever possible all data should be collected and transferred in a recognized and agreed upon electronic format.

5. PROMOTION OF ACCESS TO INFORMATION ACT, ACT 2 OF 2000

The Tenderer as part of his function in collecting data on behalf of the Municipality is required to comply with the provisions of the Promotion of Access to Information Act, Act 2 of 2000 and compile a manual as required in terms of Section 51 of the Promotion of Access to Information Act, Act 2 of 2000 and such manual is to be attached under Schedule 10 hereof.

The Tenderer will not be required to provide information obtained in terms of Section (42) of the Act that is of a confidential nature, unless required to do so in terms of Section (44) of the said Act.

Reference to these Sections shall be incorporated in the manual submitted in terms of the Promotion of Access to Information Act, Act 2 of 2000. Confidential information is to be considered as information specific to a property and unique thereto where such information is not available to the general public. Examples are: rentals, details of leases, purchase and sale of member's interest in a close corporation, sale of shares in a company owning property, turnover clauses etc.

The Tenderer will however be required to supply any information that is of a general nature appearing in the valuation rolls and available to the public in a format prescribed by the Municipality and against payment if so required.

6. CONFIDENTIALITY

In the process of collecting data and information in terms of section 42 of the Act, the Tenderer will have access to sensitive and confidential information. All data accessed, obtained or collected by the Tenderer and/or data collectors must at all times be kept confidential and not be disclosed. The Tenderer are to comply in full with the provisions of Section 44 of the Act.

In addition, data may not be used for personal gain by the Tenderer or the Tenderer's business, any employee, sub-contractor or any agent of the Tenderer or any other person, body or organization receiving the information or data through the Tenderer, or any of their employees or agents.

Failure to observe these conditions will constitute a breach of contract, which could result in termination of this contract.

7. DEFAULTS, PENALTIES AND RETENTION

It is a specific condition of this tender that the Tenderer is required to perform his task to acceptable standards and shall be obliged to meet the deadlines determined by the Municipality.

In the event of the Tenderer not conforming to the standards required by the Municipality as contained in the tender document, the Tenderer shall be given 30 days written notice to remedy such default failing which, the Municipality will be entitled to cancel this appointment without further notice.

Serious default of this contract shall include but not be limited to

- 1 Non-compliance to submission dates
- 2 Breach of confidentiality and/or conflict of interest;
- 3 Inadequate valuation performance in terms of the Act.
- 4 Inadequate valuation results measured against monitoring;
- 5 Non-compliance with the Act and any other conditions referred to in this tender.
- 6 Dishonesty
- 7 Corruption

In the case of dishonesty or corruption the Municipality may terminate this appointment on immediate proof of conviction being made available to the Municipality.

In all of the other events, the Municipality will give the Tenderer 15 days' notice to remedy such default, failing which the Municipality may cancel this tender without further notice or advice. The Municipality shall in either situation of inadequate valuation performance being suspected by the Municipality and/or inadequate valuation results arising from internal monitoring, provincial monitoring or national monitoring, have the right to appoint an independent registered professional Valuer or associate Valuer of not less than ten years registration to act as an adjudicator on behalf of the Municipality to investigate their suspicion. Such person shall consider the merits of the allegations made by the Municipality.

The Tenderer shall be obliged to provide all documentation required by such adjudicator as well as attend all sessions of inquiry and interviews with the said adjudicator. The adjudicator shall, in his findings and deliberations declare whether in his opinion the inadequate performance by the tenderer is in serious default or not. The findings of the adjudicator will be handed to the Municipality, the nominated person and Tenderer. The Municipality shall consider the findings of the adjudicator and shall thereafter take the necessary steps against the Tenderer. The nominated person and/or Tenderer shall have the right to reply in full to any questions, allegations or statements made by the adjudicator. The findings of the adjudicator shall be final and binding on both the Tenderer and nominated person.

Should the Municipality suffer any losses as a result of the default of Tenderer and/or the nominated person/s, the Municipality shall further be entitled to recover all costs or damages, resulting from such default as well as the cost of re-appointing alternative valuers and other financial losses suffered by the Municipality, as a result of the default of Tenderer and/or the nominated person/s.

7.2 PENALTIES

The Municipality shall in addition to any of its other rights to claim damages from the Tenderer, be entitled to enforce the following penalties:

1. Delay in complying with stage 1 of the tender,
2. Delay in complying with stage 2 of the tender,
3. Delay in complying with stage 3 of the tender.

Any delay by the Tenderer of more than 2 months beyond completion as specified in the Contract Agreement shall entitle the Municipality to consider claiming damages for the postponement of the implementation of the Supplementary Valuation Roll. Should it be apparent to the Municipality that after the Tenderer has been advised in writing by the Municipality that the Tenderer is in default in complying with the deadlines of any of the above stages and that the Tenderer has failed to rectify such default within the amended time limit set by the Municipality then in such event the Municipality shall be entitled to cancel the contract and appoint a substitute Tenderer. In such event, the Tenderer will supply the Municipality with all data collected in his possession and the Municipality reserves the right to offset any payment due to Tenderer against the cost of appointing another person to fulfil the requirements of this tender. If the cause of delay is due to

the Municipality not supplying the Tenderer with agreed data, or other delays caused by the Municipality themselves, then in such event, the Municipality shall not be entitled to enforce this clause.

7.3. RETENTION

The Municipality shall retain an amount equal to 10% of all payments to be made to the Tenderer. Such retention shall be paid over to Tenderer within 21 days of the Final Delivery Certificate having been issued by the Municipality in terms of the definition hereof.

8. INSURANCE

The tenderer shall submit proof of Professional Indemnity Insurance for a minimum value of and Public Liability Insurance for a minimum value of relating to the nominated person in terms of Schedule 8 hereof.

9. VALUATION SUMMARY OF MINING PROPERTIES AND MINING RIGHTS TO BE VALUED

The Tenderer shall undertake valuations of all mining properties and mining rights of mining companies and/or entities within the Rand West City Local Municipal Area in terms of the Act.

The Tenderer shall therefore base his tender on the estimated number of entries above.

10. KEY TASK FUNCTIONS

STAGE	DESCRIPTION	DURATION	STARTS	DUE DATE
1	Compiling of Supplementary Valuation Roll 1 and submission of Certified Roll	60 days		1 August 2023
2	Objection Process as per Act			
3	Valuation appeal board hearing			

Failure to meet the deadlines in regard to the submissions of certified valuation rolls will result in delays in the finalisation of the rates policy and Municipality's Budget which will ultimately affect the determination of the rates structure of the Municipality.

Although stages may **overlap each other**, it is critical that each stage be completed within the prescribed deadlines. Deadlines may only be changed with the written approval of the Municipality. Payments will be effected on a pro-rata basis payable either at the end of a stage or in progressive performance related payments during a stage.

10.1 MINIMUM REQUIREMENTS PER STAGE:

10.1.1 Stage 1: SUBMISSION OF CERTIFIED SUPPLEMENTARY VALUATION ROLL

Compile certified valuation roll of mining properties in accordance with the methodology approved by the Municipality.

Tenderer will be required to correct any entry that has been found to be incorrect in terms of size, description, zoning, ownership, etc. as well as incorrect valuations undertaken by the Tenderer.

Section 49 Notices

The Tenderer will be required to send section 49 notices to rate payers – the costs for such notices should be included in the overall tender pricing

Section 78 Notices

The Tenderer will be required to send section 78 notices to rate payers in case of each supplementary undertaken – the costs for such notices should be included in the overall pricing of the Sup 1 valuation roll.

10.1.2 Stage 2: OBJECTION PROCESS AND FINAL DELIVERY CERTIFICATE

The Tenderer are to attend to all objections against valuations undertaken by the Tenderer in consultation with the Municipality. To enable the Municipality to issue a final delivery certificate, Tenderer shall issue a signed declaration that he has transferred copies of all data in either electronic or hard copy format to the Municipality and attended to all objections in respect of valuations undertaken by the Tenderer. All data shall, prior to the final delivery certificate being issued, be transferred to the Municipality's financial system.

10.1.3 Stage 3: VALUATION APPEALS BOARD HEARINGS:

The Tenderer are to attend to valuation appeals in respect of valuations undertaken by the tenderer as and when required by the Municipality.

2.	Team members. Sufficient resources to render the complete service to RWCLM. <u>Resources (staff) MUST Attach detail information on the following and certified copies of qualifications (including CV's):</u> • Municipal Valuer must have at least 5 years work experience (5) and prove on CV and on a certified copy of Real Estate/Property Valuation National Diploma (10) or higher and valid SACPVP registration certificate (10) = 25 Points • Assistant Valuer must have at least 5 years work experience (5) and prove on CV and on a certified copy of Real Estate/Property Valuation National Diploma (5) or higher and valid SACPVP registration certificate (5) = 15 Points • At least 5 (five) Data Collectors, attach 5 (five) CVs for each. Each must attach a matric certificate of higher = 5 Points	45
	TOTAL	100

All information and particulars necessary to properly evaluate this tender must be furnished on submission. Incomplete particulars and documents required to substantiate the above information claims or insufficient documentary proof thereof will be construed to mean that the service provider is forfeiting the evaluation points in that regard.

13. OBJECTIONS

The Tenderer will be required to assist the Municipality carry out the objection process in compliance with Sections 51, 52 and 53 of the Act. The cost of attending, responding to Objections, and furnishing reasons upon request in terms of the Act to this process is reflected in Schedule 3.

14. APPEALS

The Tenderer will be required to deal with all aspects and evidence at hearings of the Valuation Appeal Board.

The cost of preparation for and attending the hearings must be included in the pricing proposal and must include the cost of legal representation with suitably qualified and experienced attorneys.

15. DATA COLLECTION AND DATA COLLECTION SYSTEMS

The Tenderer will be fully responsible for obtaining all data necessary for the Tenderer's nominated person to undertake valuations and to compile the data required by the Municipal Valuer to undertake valuations and compile valuation rolls.

The data collected by Tenderer must be capable of being checked, audited, verified and monitored.

The Municipality may establish whether the standard of data collection is accurate and in accordance with generally accepted standards of data required to undertake valuations from as recommended by either The South African Institute of Valuers, South African Council for the Property Valuers Profession and/or any other recognized South African bodies authority on Valuations relating to the valuation profession.

If the findings of the Municipality and/or the said described bodies indicate that the standard of data collection is not in accordance with the above standards, the Municipality will give the Tenderer 30 days written notice setting out their findings and request the Tenderer to rectify such default, failing which the Municipality shall be entitled to cancel this tender without further notice. The Tenderer will be given the opportunity within this time to explain to the Municipality the differences between the findings of the Municipality relating to data randomly checked by them and data supplied to them by the Tenderer. All data collected by Tenderer in no matter what format is the property of the Municipality.

The collection of data on behalf of the Municipality is critical and vital in the determination of true and accurate municipal valuations.

The data collection will require the input of specialist engineers familiar with mining property and the costing and determination of value of the mining property and all associated mining infrastructure that is rateable in terms of Section 17(1)(f). The Tenderer is required to incorporate the costing of such specialist engineers in the overall tender price.

When the Tenderer makes use of aerial photography and or satellite imagery, on behalf of the Municipality, such aerial photographs and/or satellite imagery will become the data of the Municipality and the Tenderer shall have no lien thereon. Any costing of aerial photography and/or satellite imagery should be incorporated in the costing of the overall tender pricing.

Notwithstanding Section 45(2)(a) of the Act, whereby inspections are optional the Tenderer will be required to adhere to the following minimum data collection requirements:-

In all cases the following Base data is required:

Extent of erven

Date of purchase (where available)

Purchase price (where available)

Multiple use (if applicable)

Name of owner (including part owners)

Street address (where available) or other type of physical identification

Zoning (Permitted Use)

MINING PROPERTIES AND MINING RIGHTS

The purpose of this tender is the compilation of Supplementary Valuation Roll 1 which will specifically deal with the valuation of all mining properties and mining rights within the jurisdictional area of the Municipality. The Supplementary Valuation Roll 1 must be compiled in accordance with the amended section 17(1)(f) of the Municipal Property Rates Act, No 6 of 2004.

All data relating to the freehold including inter alia offices, hostels, dwellings etc. should be captured.

Buildings must be measured and fully described.

The mining rights should be separately captured and valued to the extent that it is allowed in terms of section 17(1)(f).

Immovable properties and infrastructure above the surface of land required for purpose of mining should be valued in terms of amended section 17(1)(f) of the Municipal Property Rates Act No.6 of 2004.

16. INFORMATION AND SERVICES TO BE PROVIDED BY THE MUNICIPALITY AND/OR TENDERER:

ITEM FUNCTION RESPONSIBLE

1. Aerial photographs/satellite Imagery is the responsibility of the Tenderer. The Tenderer will be required to integrate this information with the GIS as provided by the Municipality
2. Building plans & Valuation roll: Municipality to provide.
3. Valuation field sheets/ records Tenderer to provide. The valuation field sheets should contain sketches of floor plans, building size, age of buildings, type of buildings.
4. Building plans: Not applicable, but if available, the Municipality to provide. Building plans are available for scrutiny but may not be copied and plans may not be removed from the office of the Building Inspectorate.

5. Bulk deeds download at commencement date and updating to date of final handover certificate Tenderer to provide. A comparison of existing ownership contained in the valuation and financial system and data obtained from the Registrar of Deeds to be undertaken and all anomalies are to be provided to the Municipality up to the date of Final Delivery Certificate. Monthly deeds downloads to be provided to Municipality until final handover certificate.
6. Cadastre: Tenderer to provide updated cadastrals upon commencement and update quarterly until date of final submission.
7. Copies of all offers received to purchase and/or lease Municipal properties Municipality will provide copies of offers received one year prior to fixed date of valuation.
8. Copies of all sales/rental agreements relating to properties sold by the Municipality whether registered or not Municipality will provide copies of agreements concluded one year prior to fixed date of valuation.
9. Copies of all consent use applications received, approved or declined Municipality will provide copies for the period between appointment date and certification of valuation roll.
10. Copies of all township applications, rezonings, consolidations, notarial ties submitted to the Municipality, Municipality will provide copies for the period between appointment date and certification of valuation roll.
11. Copies of all policy decisions relating to immovable property within the Municipality will be provide.
12. LUMS: Municipality will provide LUMS information depending on what the Council has approved on the date on which the Municipal Valuer is appointed.
13. Geographic information System: Municipality will provide LG set from Surveyor General and Tenderer to provide data as per paragraph 19.2 hereof.
14. Monthly clearance certificates Municipality will provide copies for the period between appointment date and certification of valuation roll.
15. Occupation Certificates where available Municipality will provide copies for the period between appointment date and date of final submission.
17. Planned roads and other infrastructure services, i.e. proposed reservoirs, power lines, sewer mains, water mains, etc. Public Service Infrastructure Municipality will provide available information in respect of roads and electricity. Sewer and water information are to be obtained from the District Municipality.
18. Report of properties affected by environmental restraints or subjected to onerous environmental impact assessment requirements Municipality will provide where available.
19. Reports on properties that are adversely affected by adverse soil conditions or prohibition on development i.e. land subject to dolomite etc. Municipality will provide where available.

17 PRINTING AND BINDING OF ROLLS

The Tenderer shall be responsible for the printing and binding of 6 CERTIFIED copies of Supplementary Valuation Roll 1.

The Supplementary Valuation Roll 1 shall be made available to the Municipality in electronic format as well.

18. VALUATION SYSTEM

Tenderer shall satisfy the Municipality that its valuation system will adequately be capable of not only producing valuation rolls, but also storing historic data necessary in terms of the Promotion of Access to Information Act, Act 2 of 2000. The minimum requirements of the Valuation System must be as follows:-

It must be Compatible with the Rand West City Local Municipality Billing System.

18.1 COMPATIBILITY WITH VALUATION SYSTEM OF THE MUNICIPALITY

If a computer assisted mass valuation techniques is used by the Tenderer, the Computer Assisted Mass Valuation System must be compatible with the valuation system.

18.2 COMPATIBILITY WITH MUNICIPAL GIS SYSTEM

The valuation system must be compatible with the GIS system under development by the Municipality as well as other management systems that are affected by the valuation process.

18.3 COMPATIBILITY WITH MUNICIPAL BILLING SYSTEM

The valuation system must be compatible with the billing system of the Municipality and shall be integrated with the billing system prior to the final delivery certificate being issued.

18.4 AUDIT TRAIL

The valuation system must have an audit trail and the system must be able to verify all data that has an influence on values.

18.5 SECURITIES

It must have adequate securities and control to ensure that critical valuation data cannot be manipulated or corrupted.

18.6 STORAGE OF PROPERTY DATA

The valuation system must be able to store data and changes relating to property data and shall inter alia include:

Land use

Zonings

Size

Sub divisions

Consolidations

Excisions

Notarial ties

Current and previous owners

Date of sale and transfer

Sales price

Title deed numbers

Servitudes

Caveats

Type of sale i.e. vacant or improved.

18.7 STORAGE OF VALUATION DATA

The valuation system must be able to:

Store all current and future valuations

Store historical changes to valuations

Produce monthly supplementary valuation rolls maintenance reports for auditing and checking purposes. Make provision for compiling of valuations for future general valuations

18.8 RECORDING OF OBJECTIONS AND APPEALS

The valuation system must be capable of recording objections and appeals and must reflect:

Name of objector

Name of owner

Objection number

Entry required by objector

Decision of Valuer

Reasons of Valuer

Decision of appeal board

Existing valuations and valuations reflected in the valuation roll

Adjustments made by the appeal board

Historic records of all objections lodged in terms of the Act against the property from date of commencement and for the full duration hereof.

18.9 STORAGE OF RELEVANT AND HISTORICAL DATA

The valuation system must also be capable of storing all relevant property data. inter alia:-

This information may include but is not limited to the following:

Building plan data where used in the valuation process.

Site plans

Aerial photographs

GIS data

Valuation field sheet data

Other pertinent data of a historic basis.

Digital Photos

The above data must be capable of being linked to each erf in a way that a full history of all data from date of appointment in terms of this tender, pertaining to that erf can be extracted by reference to that erf.

18.10 EXTRACTING OF INFORMATION REPORTING FUNCTIONALITY

The valuation system must be capable of extracting the following information:

Properties which are subject to multiple use sentries

Rebates

Reductions

Exemptions

Specific owner categories type e.g. State properties

Category of properties e.g. suburbs, zonings and area of properties

Vacant properties

Other information required for statistical purposes

18.11 DATA FROM DEEDS OFFICE

The valuation system must be capable of able to downloading data directly from the deeds offices as well as recording and linking properties from various databases with the property key number of the Surveyor General. The Maintenance of this information is required from date of submission of the certified roll.

Maintenance of roll from date of hand over to date of implementation

19. DATA

19.1 DATA BACK UP AND DISASTER RECOVERY PLAN

All data collected by the Tenderer is the property of the Municipality.

Tenderer will be required at all times to fully protect such data against theft, data corruption, data espionage and data loss.

The maintenance and protection of data on behalf of the Municipality is critical and vital.

Tenderer will ensure that all data protected and backed up is capable of being restored and reinstalled into the valuation system of both the municipality and Tenderer in less than seven working days from date of data disaster.

Where Tenderer utilizes data collection methods such as aerial photographs, electronic measurements, GIS etc such data will also have to be fully protected and capable of restoration in the event of a data disaster. All such data will be made available to municipality in a format specified by municipality.

The Municipality reserves the right to appoint either its own officials to assess the data protection and disaster recovery procedure or appoint independent specialists to evaluate and consider the merits and adequacy of the plan as set out under **Schedule 4** hereof.

Tenderer will comply with the following minimum requirements for data protection and data recovery:

- 1 Tenderer will ensure that all data collected manually on paper be scanned into PDF document 'read only' format.
- 2 Tenderer shall keep an original copy of the document in conjunction with the document in electronic PDF format stored on magnetic based media.
- 3 Tenderer shall enforce all other static documents – formats are set as read only and set the relative permissions on GIS and all third party data.
- 4 All data stored on any magnetic based media shall be hosted by an operating system capable of setting security permissions down to the individual file level.
- 5 Tenderer will ensure that all scanned documents attributes stored on magnetic based media are filled in accurately and to the requirements requested by the Municipality.
- 6 Tenderer will ensure that all servers hosting the documents referred to in this paragraph and schedule be protected and accessed at server level by the Tenderer's appointed network administrator/s only.
- 7 Tenderer will ensure strong password protection at the administrator level on the servers referred to in this section.
- 8 Tenderer will ensure that data which is available to the public and not of a confidential nature is in 'read only format' and the original data or documents cannot be altered in any form whatsoever, whilst hosted on the Tenderer's infrastructure or appointed third party service providers infrastructure.
- 9 Tenderer will ensure that all metadata stored in custom designed relational

database systems, cannot be altered once entered into the database and must be protected by the maximum levels of protection recommended by the manufacturers and as set out in this schedule.

- 10 Tenderer may make use of approved 'open source' software products available on the market, to build proprietary systems, provided prior approval is obtained from the Municipality in writing.
- 11 All data output from a relational database system will be provided and made available in an approved format to the Municipality.
- 12 Tenderer will ensure that all data is backed up on a daily basis and verified.
- 13 Tenderer will ensure that 2 sets of media be created and used for backup purposes each set will be used and alternated on a separate weekly basis.
- 14 Tenderer will create a fortnightly backup independent of the weekly backups, to be stored off site from the next business day when the backup is completed.
- 15 Tenderer will ensure that a monthly backup be enforced on the last business day of the month, this backup set will be removed the next business day and stored off site in a secure facility.
- 16 Tenderer will ensure that this backup cycle be enforced for the duration of the tender.
- 17 Tenderer will adhere to and implement the backup software vendors 'best practice' specifications.
- 18 Tenderer will adhere to and comply with the backup hardware manufacturers specifications.
- 19 Tenderer will ensure that all backup hardware is serviced regularly; service intervals shall not exceed a period of 120 days between intervals.

The Municipality may review and amend this requirement at any time to keep pace with changes in technology and equipment. Should the Municipality require that a revised basis of back up be implemented that is substantially different from that contained herein, they will consider a contribution distribution towards the cost of Tenderer, implementing such changes.

The Municipality reserves the right to authorize and appoint a third party consultant, to check and monitor the data protection methods of Tenderer during the duration of this tender.

Tenderer shall ensure that the data protection policy implemented by Tenderer is within the specifications and requirements of the Municipality for the full period of this tender.

Should a data protection policy not be annexed to this tender the minimum data collection specifications will apply to the tenderer.

19.2 DATA TRANSFER

Bulk data transfer shall be made available to the Municipality in a format specified by the Municipality.

Tenderer will ensure that a minimum of CD Rom or equivalent is utilized on a daily basis.

The Municipality may request these CD's from time to time to verify and ensure data integrity.

Tenderer may utilize optical based media technology for archiving purposes.

Tenderer may utilize optical based media technology for data presentation.

Tenderer will ensure that all optical based media be 'read only'.

Tenderer will ensure secure site protocols are enforced for all website/internet available data.

Tenderer will ensure that all data collected be transferred to the Municipality on a minimum of a fortnightly basis.

19.3 DATA - GENERAL

Tenderer will ensure that he fully acquaints himself with the amount of data to be stored and what data needs to be protected to the satisfaction of the Municipality or its duly appointed consultant and that the Tenderer has an adequate Computer System to fully comply with paragraph 17.1 to 17.2 as well as any other computer requirements of the Municipality.

20. PUBLIC PARTICIPATION AND AWARENESS:

Tenderer will be required to attend meetings in regard to public awareness relating to the valuation process. Tenderer will also be required to handle all valuation enquiries in respect of properties valued by the Tenderer, particularly during the objection period. The costs are set out in **Schedule 3** hereof.

21. GEOGRAPHIC INFORMATION SYSTEM (GIS) SPECIFICATION

The Municipality is currently developing a GIS system. The Tenderer will be expected to assist the Municipality with development of a fully fledged and functional GIS.

(FOR PURPOSES OF PRICING, TENDERERS ARE REQUESTED TO CONTACT THE TOWN PLANNING DEPARTMENT TO ASSESS THE STAGE OF GIS DEVELOPMENT)

The following are the minimum requirements and specifications of such a GIS:

21.1 GENERAL DESCRIPTION OF SERVICE

The Tenderer will employ a GIS specialist in a supportive role to:

- 1 Identify and describe the cadastral boundaries of each property within the municipal area;
- 2 Guide Valuation Inspectorate to the sites to be inspected;
- 3 Balance the properties of the municipal area with the entries registered in the Deeds Office as well as the Surveyor-General;
- 4 Display geo-referenced aerial photographs of the area so as to provide the Valuer with a clear picture of the subject properties;
- 5 Maintain and update the cadastral data during the maintenance period so as reflect the properties contained in the valuation roll at all times.

21.2 GIS DATA STANDARDS

The objective is to clean and capture, where necessary, the cadastral data in order to produce a base cadastral layer of all approved cadastral properties as well as a registered layer of all of those properties that have ownership registration. This dataset will serve as the base for Randfontein Municipality's Valuation Roll as well as for the maintenance of the Land Use Management System.

21.2.1 METHODOLOGY

The following methodology must be used:

- 1 Compile a list of all farms and farm portions in the registration division and obtain the source data from the SGO.
- 2 For all rectilinear boundaries, coordinate geometry using existing co-ordinates from the source data and directions and distances must be used to capture the subdivision boundaries and servitudes. Here the most current diagram or data is used first and so the capturer works from newest to oldest.
- 3 "Heads up digitising" is only allowed for curvilinear boundaries such as rivers. These boundaries are to be taken off the scanned images of the diagrams. If there

is no scanned image of the boundary then 1:50 000 topographic maps may be used. Please be aware that cadastral boundaries are abstract and will not always follow the boundaries as seen on photography, especially in farm areas.

- 4 All coordinate geometry for the farm data will be captured in the Clarke 1880 coordinate system initially as the majority of the farm data is in Clarke 1880. The final data set will be converted to WGS84.
- 5 Survey beacons forming boundaries of each property must be captured with a data field PER BEACON describing accuracy. (eg : on LO system or local system or calculated etc)
- 6 All servitudes are to be captured and provided as a separate data layer. In cases where centre line is depicted, the contractor must capture the outer boundaries of the extent of the servitude.
- 7 The unique 21 digit key used by the SGO must be created per land parcel and populated into the database,
- 8 "Snapping" utilities/functions must be used to capture features as specified and to provide cartographic connectivity.
- 9 Visual checks must be done against compilation plans from the SGO for completeness of data capture.
- 10 Automated checks must also be done for data completeness, polygon closure, attribute validity, connectivity to assure the completeness and usability of the data captured.
- 11 Finally, the ownership data must be acquired for all properties and linked to the cadastral data in order to create the registered layer. Mismatches must be thoroughly investigated in the SGO/Deeds Office and resolved. Ownership data is to be held in a Microsoft Access Database.

21.3 ACCURACY

An accuracy of 0.3m is to be achieved for coordinate. If errors of more than 0.3m are found these are to be investigated by a professional land surveyor and reported on.

Areas are to be based on the average length of a side multiplied by twice the coordinate accuracy, eg. $(\text{Polygon Area}) - (\text{Diagram Area}) < 2 \times (0.3\text{m}) \times \text{square root of } (\text{Diagram Area})$.

21.4 PROCEDURE FOR FARM CAPTURING

FARM BOUNDARIES AND GENERAL PLAN BOUNDARIES

The original farm boundary coordinates must take preference over subdivisions, servitudes, leases etc and all straight lines must remain straight. If the difference is more than 0.30m from the straight line it must be queried. By using the list of farms in the Registration Division, the Tenderer is to work from the highest farm number down to the

lowest, inputting all coordinates, in the following order, from diagrams and General Plans

LO CO-ORDINATES

The most recent survey must be used to input any coordinate. (There can be an allowable difference of 0.30m between surveys of the same beacon and the difference from a straight line of a beacon i.e. If the distance is greater than 0.30m from a straight line the beacon remains in its coordinated place but the line is extended to the straight line. Any difference greater than 0.30m must be queried and checked by a Professional Land Surveyor.)

LOCAL COORDINATES (not on LO, usually has no constants)

The coordinates must be entered therefore the polygon will not fall in the correct area. It is usually swung by 180° (can be 90°) and above the Equator. Tenderer to select the polygon, rotate it by the required amount, move it near its proper place and then using a Helmert transformation (using 3 or more known LO points) to put into position.

SIDES AND ANGLES

These are to be input by using polar.

21.5 CURVILINEAR BOUNDARIES (rivers, roads, cliff edge, etc.)

By using the scanned image of the diagram Tenderer to digitize rivers. If newer surveys coordinate the points along the river, these must be added to the continuous map. If this is not stated the middle of the river is taken as the boundary.

21.6 SERVITUDES (areas, lines and points)

All servitudes are to be indicated. If servitude is shown topographically and a note appears on the diagram this must be shown as well. If a diagram gives the width of servitude the full extent must be shown on the continuous map.

21.7 DELIVERABLES

The following deliverables must be provided to the Municipality by the Tenderer:

- a) All source data provided to and obtained by the Tenderer.
- b) "Approved" and "Registered" cadastral data layers in ArcView Shapefiles with point and polygon topology. Data must be in Geographic coordinates on the Hartebeeshoek '94 datum (WGS84 ellipsoid). Data must be 100% clean and free of overshoots, undershoots and duplication. This includes both the point and line coverages.

PRICING SCHEDULE – FIRM PRICES (PURCHASES)

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

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

Name of Bidder.....	Bid Number.....
Closing Time	Closing Date

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

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)
----------	----------	-------------	--

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

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

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

*Delete if not applicable

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state¹.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.
3. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**
 - 3.1 Full Name of bidder or his or her representative:.....
 - 3.2 Identity Number:
 - 3.3 Position occupied in the Company (director, trustee, shareholder²):.....
 - 3.4 Company Registration Number:
 - 3.5 Tax Reference Number:.....
 - 3.6 VAT Registration Number:
 - 3.7 The names of all directors / trustees / shareholders members, their individual identity numbers and state employee numbers must be indicated in paragraph 4 below.
 - 3.8 Are you presently in the service of the state? **YES / NO**
 - 3.8.1 If yes, furnish particulars.

¹MSCM Regulations: "in the service of the state" means to be –

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

² Shareholder" means a person who owns shares in the company and is actively involved in the management of the company or business and exercises control over the company.

- 3.9 Have you been in the service of the state for the past twelve months?YES / NO
- 3.9.1 If yes, furnish particulars.....
-
- 3.10 Do you have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid? YES / NO
- 3.10.1 If yes, furnish particulars.
-
-
- 3.11 Are you, aware of any relationship (family, friend, other) between any other bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid? YES / NO
- 3.11.1 If yes, furnish particulars
-
-
- 3.12 Are any of the company's directors, trustees, managers, principle shareholders or stakeholders in service of the state? YES / NO
- 3.12.1 If yes, furnish particulars.
-
-
- 3.13 Are any spouse, child or parent of the company's directors trustees, managers, principle shareholders or stakeholders in service of the state? YES / NO
- 3.13.1 If yes, furnish particulars.
-
-
- 3.14 Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract. YES / NO
- 3.14.1 If yes, furnish particulars:
-
-

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

Full Name	Identity Number	State Employee Number

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

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

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

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

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

***YES/NO**

.....
.....

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

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

2.2 If yes, provide particulars.

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

* Delete if not applicable

***YES / NO**

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

3.1 If yes, furnish particulars

.....

.....

***YES / NO**

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

***YES / NO**

4.1 If yes, furnish particulars

.....

.....

CERTIFICATION

I, THE UNDERSIGNED (NAME)

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

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

.....

Signature

.....

Date

.....

Position

.....

Name of Bidder

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

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

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

1. GENERAL CONDITIONS

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

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

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

(delete whichever is not applicable for this tender).

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

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

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

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

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	
SPECIFIC GOALS	
Total points for Price and SPECIFIC GOALS	100

- 1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

80/20	or	90/10	
$Ps = 80 \left(1 - \frac{Pt - P_{min}}{P_{min}} \right) \text{ or } Ps = 90 \left(1 - \frac{Pt - P_{min}}{P_{min}} \right)$			

Where

- Ps = Points scored for price of tender under consideration
- Pt = Price of tender under consideration
- Pmin = Price of lowest acceptable tender

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

3.2.1. POINTS AWARDED FOR PRICE

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

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

Where

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

4. POINTS AWARDED FOR SPECIFIC GOALS

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

then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
At least 51% black ownership	5	10		
At least 51% Women ownership	5	10		

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium

One-person business/sole propriety

Close corporation

Public Company

Personal Liability Company

(Pty) Limited

Non-Profit Company

State Owned Company

[TICK APPLICABLE BOX]

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

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

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

DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS

This Municipal Bidding Document (MBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2011 and the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

1. General Conditions

- 1.1. Preferential Procurement Regulations, 2011 (Regulation 9) makes provision for the promotion of local production and content.
- 1.2. Regulation 9.(1) prescribes that in the case of designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for bids referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

$$LC = [1 - x / y] * 100$$

Where

x is the imported content in Rand

y is the bid price in Rand excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid as required in paragraph 4.1 below.

The SABS approved technical specification number SATS 1286:2011 is accessible on [http://www.thedti.gov.za/industrial development/ip.jsp](http://www.thedti.gov.za/industrial%20development/ip.jsp) at no cost.

1.6. A bid may be disqualified if –

- (a) this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation; and
- (b) the bidder fails to declare that the Local Content Declaration Templates (Annex C, D and E) have been audited and certified as correct.

2. Definitions

- 2.1. **“bid”** includes written price quotations, advertised competitive bids or proposals;
 - 2.2. **“bid price”** price offered by the bidder, excluding value added tax (VAT);
 - 2.3. **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
 - 2.4. **“designated sector”** means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;
 - 2.5. **“duly sign”** means a Declaration Certificate for Local Content that has been signed by the Chief Financial Officer or other legally responsible person nominated in writing by the Chief Executive, or senior member / person with management responsibility (close corporation, partnership or individual).
 - 2.6. **“imported content”** means that portion of the bid price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad (this includes labour and intellectual property costs), plus freight and other direct importation costs, such as landing costs, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry;
 - 2.7. **“local content”** means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place;
 - 2.8. **“stipulated minimum threshold”** means that portion of local production and content as determined by the Department of Trade and Industry; and
 - 2.9. **“sub-contract”** means the primary contractor's assigning, leasing, making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.
3. **The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:**

<u>Description of services, works or goods</u>	<u>Stipulated minimum threshold</u>
_____	_____ %
_____	_____ %
_____	_____ %

4. Does any portion of the services, works or goods offered have any imported content?
(Tick applicable box)

YES	☐	NO	☐
-----	--------------------------	----	--------------------------

- 4.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by the SARB for the specific currency at 12:00 on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on www.reservebank.co.za.

Indicate the rate(s) of exchange against the appropriate currency in the table below (refer to Annex A of SATS 1286:2011):

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

5. Were the Local Content Declaration Templates (Annex C, D and E) audited and certified as correct?
(Tick applicable box)

YES	☐	NO	☐
-----	--------------------------	----	--------------------------

- 5.1. If yes, provide the following particulars:

- (a) Full name of auditor:
- (b) Practice number:
- (c) Telephone and cell number:
- (d) Email address:

(Documentary proof regarding the declaration will, when required, be submitted to the satisfaction of the Accounting Officer / Accounting Authority)

6. Where, after the award of a bid, challenges are experienced in meeting the stipulated minimum threshold for local content the dti must be informed accordingly in order for the dti to verify and in consultation with the Accounting Officer / Accounting Authority provide directives in this regard.

LOCAL CONTENT DECLARATION
(REFER TO ANNEX B OF SATS 1286:2011)

LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)

IN RESPECT OF BID NO.

ISSUED BY: (Procurement Authority / Name of Municipality / Municipal Entity):
.....

NB

1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.

2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on <http://www.thedti.gov.za/industrialdevelopment/ip.jsp>. Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

I, the undersigned, (full names),
do hereby declare, in my capacity as
of (name of bidder
entity), the following:

(a) The facts contained herein are within my own personal knowledge.

(b) I have satisfied myself that

- (i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and
- (ii) the declaration templates have been audited and certified to be correct.

(c) The local content percentages (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C;

Bid price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2011	R
Stipulated minimum threshold for local content (paragraph 3 above)	
Local content %, as calculated in terms of SATS 1286:2011	

If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above. The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E.

(d) I accept that the Procurement Authority / Municipality /Municipal Entity has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.

(e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Municipal / Municipal Entity imposing any or all of the remedies as provided for in Regulation 13 of the Preferential Procurement Regulations, 2011 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

SIGNATURE: _____

DATE: _____

WITNESS No. 1 _____

DATE: _____

WITNESS No. 2 _____

DATE: _____

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

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

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied). The Database of Restricted Suppliers now resides on the National Treasury's website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.	Yes ☐	No ☐
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.	Yes ☐	No ☐
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes ☐	No ☐

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

CERTIFICATION

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

Js367bW

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a. take all reasonable steps to prevent such abuse;
 - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of: _____ that:

(Name of Bidder)

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

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

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

Js9141w 4

THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT

July 2010

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

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

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

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

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General Conditions of Contract

1. Definitions

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

RSA.

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

obligations of the supplier covered under the contract.

- 1.25 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.

2. Application

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

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

5. Use of contract documents and information; inspection.

- 5.1 The supplier shall not, without the purchaser’s prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The supplier shall not, without the purchaser’s prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier’s performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier’s records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

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

7. Performance security

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

8. Inspections, tests and analyses

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

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

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

9. Packing

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

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

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

14. Spare parts

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

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

15. Warranty

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

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

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

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

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

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

16. Payment

- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

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

18. Contract amendments

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

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the

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

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

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

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

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

may be due to him

25. Force Majeure

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

26. Termination for insolvency

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

27. Settlement of Disputes

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

		(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
29. Governing language	29.1	The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
30. Applicable law	30.1	The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
31. Notices	31.1	Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
	31.2	The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
32. Taxes and duties	32.1	A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
	32.2	A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
	32.3	No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
33. National Industrial Participation Programme (NIP)	33.1	The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.
34 Prohibition of Restrictive practices	34.1	In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
	34.2	If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

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

Js General Conditions of Contract (revised July 2010)