



GREATER
KOKSTAD
MUNICIPALITY
PROVINCE OF KWAZULU-NATAL

SPECIFICATION AND BID DOCUMENT
FOR

**PROVISION OF SHORT-TERM INSURANCE SERVICES FOR THE
GREATER KOKSTAD MUNICIPALITY**

BID NO:- GKM 41-23/24

CLOSING DATE: 07 JUNE 2024

CLOSING TIME: 12H00

NAME OF BIDDER:

POSTAL ADDRESS:

.....

.....

TELEPHONE NUMBER:

FAX NUMBER:

E- MAIL ADDRESS:

TENDER SUM (ALL INCLUSIVE):.....

BID NUMBER AND DESCRIPTION

The bid documents must be clearly marked: **PROVISION OF SHORT-TERM INSURANCE SERVICES FOR THE GREATER KOKSTAD MUNICIPALITY**

BID NUMBER: BID No-GKM 41-23/24

Bid documents must be deposited in the tender box marked “**PROVISION OF SHORT-TERM INSURANCE SERVICES FOR THE GREATER KOKSTAD MUNICIPALITY**” located at the reception area at Adam Kok III Building, 75 Hope Street, Kokstad not later than **07 June 2024 at 12h00**.

Bidders must attach the following mandatory returnable documents to be considered for this bid and must note the applicable conditions:

- Price (s) quoted must be firm and must be inclusive of VAT.
- Copy of CSD (Central Supplier Database) detailed report
- Copy of company registration documents (compulsory)
- For Joint Venture, attach the CK's of each of the joint venture members (if applicable) and JV agreement.
- Certified ID(s) copies of company director(s)
- Copy of current municipal account for all Director/s and Company (must not be in arrears for a period longer than 90 days and not older than 90 days) or copy of a valid lease agreement from the relevant authority if the director/s or company is leasing. If the business is operated from the residence of one of the Director/s, an original affidavit, certified, must be submitted stating the address of the premises. For any other arrangement that is not covered above, director/s must submit an original affidavit, certified clarifying the arrangement e.g. people residing in rural arrears etc. All affidavits must be original affidavits. Affidavits must be signed by the company director/s **(proof must be submitted for the company and each director, noting the required document for verification)**.
- Printed copy of SARS Tax Pin for further verification.
- Completed and signed Municipal Bidding Document attached to the tender document.
- Proof of registration with financial service board **(FSB S.A)**.

Bidders must take note of MBD 1 and ensure that their total bid prices including vat are carried over to MBD 1, all MBD forms must be completed and signed, and the directors must be listed on MBD 4.

Tenders will be adjudicated in terms of the Council Supply Chain Management Policy on the 80/20 Preferential Point System. It is therefore compulsory that the municipal tender document be used. Greater Kokstad Municipality is not bound to accept the lowest or any quote.

CERTIFICATION OF A PREVIOUSLY CERTIFIED DOCUMENT WILL NOT BE ACCEPTED AND WILL LEAD TO DISQUALIFICATION OR LOSS OF POINTS AND CERTIFICATION ON DOCUMENTS MUST NOT BE OLDER THAN 6 MONTHS.

The following conditions will apply:

- Price(s) quoted must be valid for at least (120) days from date of your offer.
- Price(s) quoted must be firm and must be inclusive of VAT and disbursements.
- Your valid tax clearance certificate must be attached.

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

LIST OF RETURNABLE DOCUMENTS (CHECKLIST)

The Checklist below is attached hereto to assist Service Providers with the completion of the tender document. Service Providers are required to **TICK** the relevant boxes for verification purposes. Where information is not applicable to the tender, the symbols **N/A** must be inserted in the space provided.

The tenderer must complete and return documents, all returnable document as listed below as part of his/her tender submission:

Returnable Schedules (Documents) for Tender Evaluation Purposes	Yes	No	N/A
Has the Tender Document been completed in BLACK INK and all corrections counter-signed? (No correction fluid used)			
Have all tendered amounts been arithmetically checked, and the correct total bid price been carried forward to MBD 1? Bidders who do not put prices on MBD 1 will be eliminated.			
Is a valid Tax Clearance Status Verification Certificate with pin attached to the Tender Document?			
Has the Company / Cc / Partnership / JV / SP attached company Registration Certificates.			
In case of a joint venture, has the tenderer attached a joint venture agreement signed by both parties indicating the lead partner of the joint venture (company documents to be attached for all JV Partners i.e CSD, Tax Verification certificate, Company registration documents etc)			
Has the compulsory "Site Inspection/Tender Briefing" meeting been attended and has the tenderer signed the register (when applicable)			
Has the tenderer fully completed the Declaration of Interest (MBD 4) form, (Directors must be listed on the table on MBD 4 form)			
Has the "Preference Points Claim Form (MBD 6.1) in terms of the Preferential Procurement Regulations 2022" been completed in its entirety and signed?			
Has the tenderer attached proof that the DIRECTOR/S of the company do not owe Municipal rates (Municipal utility bill/ lease agreement/ affidavit only).			
Has the tenderer attached proof that the COMPANY does not owe Municipal rates (Municipal utility bill/ lease agreement/ affidavit only).			
Central Supplier's Database registration certificate (to include all parties if tenderer is a Joint Venture or Consortium)- Detailed CSD			
Has the "Declaration of Bidder's Past SCM practices (MBD 8)" been completed in its entirety and signed?			
Has the "Independent Bid Determination (MBD 9)" been completed in its entirety and signed.			
Has the tenderer attached the company's proof of registration with financial service board?			
Has all the information required in terms of the Tender Document been submitted with the tender?			

Name of the Bidder: _____

Signature: _____ Date: _____

TENDER ADVERT

PROVISION OF SHORT-TERM INSURANCE SERVICES FOR THE GREATER KOKSTAD MUNICIPALITY

GKM 41-23/24

The Greater Kokstad Municipality hereby invites proposals from reputable Service Providers for Provision of Short-Term Insurance for a period of three years.

The scope of work and bid requirements is stipulated in the bid document.

This advert is issued in compliance with the Preferential Procurement Regulation, 2022. Evaluation will be done on the following stage process in terms of National Treasury Circular No: 53:

Stage 1:

Assessment of Functionality. Only service providers who achieve a minimum of 60 points of the total available points will qualify for stage two of the Evaluation process. Functionality criteria is as follows:

Company Experience	(40 points)
Key Personnel	(40 Points)
Company Accreditation	(20 points)

Stage 2:

The 80/20 preferential point system will be applied, where 80 points will be allocated for price and 20 points for Municipality's specific goals that is on ownership and RDP goals.

PREFERENCE	80/20	Documents required for verification
GOAL 1 – Ownership- Maximum Points	10	
Business owned 50% or more by black people.	5	▪ ID copy of director/Owner ▪ Detailed CSD
Business owned 50% or more by black woman.	5	▪ ID copy of director/Owner ▪ Detailed CSD
GOAL 2 – RDP- Maximum Points	10	
Business falls under the SMME Category- QSE/EME	5	▪ Detailed CSD Report/ BBBEE Certificate/sworn affidavit
Promotion of business located within KZN province	5	▪ Municipal accounts not older than 90 days for company and directors ▪ Lease agreement or letter from body corporate. ▪ Affidavit if you are not liable to pay rates (to clarify reasons why you are not liable)

The tender document **must** be downloaded on etenders or the GKM website at no cost from **Friday, 24 May 2024. The municipality will not be held responsible for any incomplete documents downloaded on GKM website.**

Sealed tenders marked **“Bid No.: GKM 41-23/24 “PROVISION OF SHORT-TERM INSURANCE SERVICES FOR GREATER KOKSTAD MUNICIPALITY”** must be deposited in the **BOX** located at the Reception Area, Adam Kok III Building, 75 Hope Street, Kokstad, not later than **07 June 2024 at 12H00**, where after, bids will be opened in public.

Late, telegraphic, e-mailed or faxed bids will not be considered. Technical Enquiries: Ms S.T Mbhele on Tel: 039 797 6623 or email: smangele.mbhele@kokstad.gov.za
Supply Chain Management enquiries: Ms. A. Mahlaka Tel. 039 797 6743f, or email: Andiswa.Mahlaka@kokstad.gov.za

Greater Kokstad Municipality does not bind itself to accept the lowest or any bid and reserves the right to accept the Bid in whole or part, at the rates quoted

**MR. S R ZWANE
MUNICIPAL MANAGER
NOTICE NO.:136-2023/2024**

TENDER CONSENT FORM:

I _____ a natural person with
Full Name

ID No.: _____ in my capacity as

of _____
(Company Name and Reg. No.)

I hereby give my consent to the Greater Kokstad Municipality to collect, process and distribute my personal information where the Greater Kokstad Municipality is legally required to do so.

I understand my right to privacy and the right to have my personal information processed in accordance with the conditions for the lawful processing of personal information.

I understand the purposes for which my personal information is required and for which it will be used and consent to third parties accessing my personal information and to the Greater Kokstad Municipality sharing my personal information strictly for verification purposes.

I understand that, should I refuse to provide the Greater Kokstad Municipality with the required consent and/ or information, the Greater Kokstad Municipality will be unable to consider my application for the above-mentioned tender.

I declare that all my personal information supplied to the Greater Kokstad Municipality is accurate, up to date, not misleading and that it is complete in all respects and will be held and/ or stored securely for the purpose for which it was collected and that I will immediately advise the Greater Kokstad Municipality of any changes to my Personal Information should any of these details change.

tick the appropriate box:

☐	I / We hereby consent to the above
☐	I/We hereby withhold consent and understand the implication of my/our decision and will not hold the Greater Kokstad Municipality responsible for not considering my/our bid.

Signed at this day of20.....

..... Signature of data subject/ designated person

..... Signature.....

AUTHORITY FOR SIGNATORY

Indicate the status of the tenderer by ticking the appropriate box hereunder. The tenderer **must complete** the certificate set out below for the relevant category, **even if a board resolution letter is attached.**

A Company	B Partnership	C Joint Venture	D Sole Proprietor	E Close Corporation

A. Certificate for Company

I,....., chairperson of the board of.....
.....

hereby confirm that by resolution of the board (copy attached) taken
on.....

20...., Mr./Ms.acting in the capacity of.....,

was authorised to sign all documents in connection with this tender and any contract resulting from it
on behalf of the company.

As witnesses:

1. Chairman:.....
2. Date:

B. Certificate for Partnership

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

....., hereby authorize Mr/Ms

acting in the capacity of, to sign all documents in connection with
this

tender and any contract resulting from it on our behalf.

Name	Address	Signature	Date

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

C. Certificate for Joint Venture

We, the undersigned, are submitting this tender offer in Joint Venture and hereby

authorise Mr/Ms.....of the lead partne, authorised signatory of the company, to sign all documents in connection with this tender for Contract and any contract resulting from it on our behalf. This authorisation is evidenced by the attached power of attorney signed by legally authorised signatories of all the partners to the Joint Venture (Joint Venture to submit power of attorney).

Name of Firm	Address	Authorising Name and Capacity	Authorising Signature
Lead Partner:			

D. Certificate for Sole Proprietor

I,....., hereby confirm that I am the sole owner of the

business trading as

As witnesses:

1. Sole Owner:
2. Date:

E. Certificate for Close Corporation

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

hereby authorise Mr./Ms.acting in the capacity of , to sign all documents

in connection with this tender and any contract resulting from it on our behalf.

Name	Address	Signature	Date

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

GREATER KOKSTAD MUNICIPALITY



TERMS OF REFERENCE

PROVISION OF SHORT-TERM INSURANCE SERVICES FOR A PERIOD OF THREE YEARS

Issued and prepared by:

Greater Kokstad Municipality
75 Hope Street
P.O. Box 8
Kokstad
4700

Municipal Manager: Mr. S. Zwane
Contact Person: Ms. S.T. Mbhele
Tel: 039 797 6623
Fax: 039 727 3676

E-mail: smangele.mbhele@kokstad.gov.za

NAME OF THE PROJECT: APPOINTMENT OF SHORT-TERM INSURANCE SERVICES FOR A PERIOD OF THREE YEARS

1. INTRODUCTION OF THE PROJECT:

Greater Kokstad Municipality (GKM) seeks the services of experienced service providers for provision of Insurance services for GKM Municipal Assets.

In terms of section 63 (1) of the Municipal Finance Management Act, the Municipal Manager is responsible for the safeguarding of municipal assets.

2. PROJECT BACKGROUND:

In terms of section 63 (1) of the Municipal Finance Management Act, the Municipal Manager is responsible for the safeguarding of municipal assets.

- It is the responsibility of the Accounting Officer or his/her delegates to ensure that all municipal assets are safeguarded against all risks that will result in loss.
- Asset Management is one function in ensuring effective financial management. Section 63 of the Municipal Finance Management Act, Act 56 of 2003, places the responsibility of asset management on the Accounting Officer.
- The safeguarding of assets in terms of s63(1)(a) includes ensuring that there is adequate short-term insurance cover for all movable and immovable assets.

3. AIMS OF THE PROJECT:

- The purpose of this document is to invite proposals from service providers who can provide a reasonable but competitive risk cover in the form of a concise, readable explanation of various insurance covers. The proposed insurance covers must assist Greater Kokstad Municipality in handling and managing the various risk exposures.
- To provide a platform for the quick and efficient rendering of insurance services for the Municipality.

4. SPECIFICATIONS

A. GENERAL COVERAGE PROVISIONS

The following are the general coverage provisions required on all insurance policies requested for the entity.

1. Inception Date. _____, _____ at _____ for all policies.
2. Notice of Cancellation. All policies must be endorsed to require at least a 60-day prior written notice by the insurer of cancellation, non-renewal, or material policy change unless the reason for such cancellation is non-payment of premium, for which 15-day prior written notice is required.

3. Premium Payment. All bidders must indicate whether monthly or quarterly premium payments are allowed, and the terms and conditions, including any and all finance charges or fees under which such a plan would operate.
Any premium finance charges shall be shown as a separate item in your bid response and shall identify:
 - A. Minimum down payment
 - B. Number of payments
 - C. Interest rate
 - D. Total finance charges

If discounts apply for full payment at the beginning of the policy period, such discounts should be disclosed.
4. Rating Plans. Any reports, periodic statements of value, audits, etc., that will be required of the entity must be clearly stated; otherwise, quotations will be regarded as final, flat premiums, non-auditable liability and property coverages are requested. If these premiums will be auditable, you must clearly state the terms of the audit.
5. Premium/Contribution breakdown by Department. The successful bidder must provide a premium/contribution breakdown as detailed as requested by the Insured/Member, such as for example by department, by location, by building, and/or by individual exposure basis, for each line of coverage.

B. LIABILITY COVERAGES

1. All Liability Coverages

- a. Named Member/Insured. The unqualified word "Member" or "Insured" includes in addition to the Named Member Municipality, any official, trustee, or employee while acting within the scope of that person's duties as such. Further, any person, organization, trustee, or estate listed as an additional covered party, or to whom the Named Member is obligated to provide coverage by virtue of a contract or agreement, only in respect to operations by or on behalf of the Named Member. Volunteer Workers of the Named Member are insured while acting within the scope of their duties as such, but only with respect to operations by or on behalf of the Named Member. Regarding Automobile Liability, any person while using an owned automobile or hired automobile and any person or organization legally responsible for the use thereof, provided the actual use of the automobile is by the Named Member or with its permission. Further, any employee or official of the Named Member with respect to the use of a non-owned automobile in the business of the Named Member. Regarding Public Officials Liability and Employment Related Practices Liability the following are also insured: All persons who were, are now, or shall be elected, appointed or employed officials of the Named Member; all Persons who were, or now are members of Commissions, Boards or other units operated by and under the jurisdiction of such Named Member; All present and former employees of the Named Member; and in the event of death, incapacity or bankruptcy of a covered Member, the estate, heirs, legal representatives or assigns of

such Member; and a member's spouse if claim is solely by reason of the spouse's status as spouse of such Member.

- b. Territory. All policies should provide worldwide coverage.
- c. Defense Costs. Coverage for defense costs and other claim expenses shall not be included within the limits of liability, but shall be provided in addition to the coverage limits.
- d. Blanket Waiver of Subrogation. All policies must include the following blanket waiver of subrogation endorsement (or an equivalent waiver).

"It is understood and agreed that coverage shall not be invalidated and the Fund/Company (the insurer) hereby waives its right to subrogate if such waiver of subrogation is made in writing prior to the occurrence of said loss or damage."

2. **Automobile Liability and Physical Damage**

- a. Vehicles Covered
 - 1.) For liability coverages: ANY AUTO (including owned, leased, hired, and non-owned autos)
 - 2.) For physical damage coverages: ALL OWNED AUTOS (meaning motor vehicles, trailer or semi-trailer including its equipment and equipment permanently attached thereto.)

3. **General Liability**

- a. Form. Any occurrence basis liability coverage not stated below may be treated as general liability.
- b. Coverages. Bodily Injury, Personal Injuries, Property Damage

4. **Pollution Coverage Amendment** (if separate from General Liability)

- a. Coverages:
 - i. Hostile Fire
 - ii. Overturned or Upset Auto
 - iii. Pesticide or Herbicide Application
 - iv. Firefighting Activities
 - v. Hazardous Response
 - vi. Short Term Pollution Events
 - vii. Road Salt Application

5. **Law Enforcement Liability** (if separate from General Liability)

- a. Coverage. Occurrence form. Definition of Personal Injuries expanded to include discrimination and violation of civil rights. Intentional injury exclusion does not apply to corporal punishment.

6. **Incidental Medical Malpractice Liability (EMTs)** (if separate from General Liability)

- a. Coverage. Occurrence form covering injury arising out of the rendering or failure to render professional medical services to any person or persons (other than employees of the Named Member injured during the course of their employment) by any duly qualified medical practitioner, or nurse or technician employed or acting on behalf of the Member (other than employed physicians), provided such liability is based solely upon error, negligence or mistake committed during the period of coverage.
- 7. **Public Officials Liability** (if separate from General Liability)
 - a. Coverage. Claims-made form. The Fund hereby agrees subject to the limitations, terms, and conditions hereunder mentioned, as applicable to indemnify the Member for all sums which the Member shall become obligated to pay, and expenses, all as more fully defined by the term Ultimate Net Loss, by reason of a Claim First Made against the Member during the Period of Coverage by reason of Wrongful Act(s) while acting within the scope of the Member's duties as such, and only with respect to operations by or on behalf of the Named Member.
- 8. **Employment Related Practices Liability** (if separate from General Liability)
 - a. Coverage. Claims-made form. The Fund hereby agrees subject to the limitations, terms and conditions hereunder mentioned, as applicable to indemnify the Member for all sums which the Member shall become obligated to pay, and expenses, all as more fully defined by the term Ultimate Net Loss, by reason of a Claim First Made against the Member during the Period of Coverage by reason of a Covered Event(s) while acting within the scope of the Member's duties as such, and only with respect to operations by or on behalf of the Named Member.
- 9. **Employee Benefit Liability** (if separate from General Liability)
 - a. Coverage. Claims-made form. Subject to the terms, exclusions and definitions hereinafter mentioned, the Fund agrees to indemnify the Named Member for all sums which the Named Member shall become legally obligated to pay as a result of damages sustained by an employee, prospective employee, former employee or the beneficiaries or legal representatives thereof in the Administration of the Named Member's Employee Benefit Programs as defined herein and caused by any negligent act, error or omission of the Named Member or any other person for whose acts the Named Member is legally liable, occurring during the Period of Coverage and then only if claim is made or suit is brought during the Period of Coverage or within one year after the end of the Period of Coverage.

D. PROPERTY COVERAGES

1. Buildings and Contents

- a. Property Covered. Real and personal property of every kind and description wherever located including leasehold improvements or betterments which the Named Member owns, property which the Member holds on consignment or agrees to insure by any contractual agreement normal to its operation and property under construction, alteration or repair, all as reported to the Fund.
Automobiles and Mobile Equipment owned by the Named Member or on which the Named Member has an obligation to provide adequate coverage, wherever located, against all risk of direct physical loss, including collision of the Automobile or Mobile Equipment with another object. Automobile includes any motor vehicle, trailer or semi-trailer, including its equipment and any other equipment permanently attaché thereto. Mobile equipment includes land vehicles including any machinery or apparatus attached thereto, whether or not self-propelled.
- b. Perils. All risks of direct physical loss or damage; flood; earthquake
- c. Loss Valuation. Guaranteed replacement cost unless an alternate valuation is designated.
- d. Coinsurance. No coinsurance shall apply. Agreed Amount or Coinsurance Waiver Provision.

2. Machinery and Equipment Breakdown Coverage

- a. Covered Equipment.
 - i. Equipment that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or
 - ii. Equipment that during normal usage operates under vacuum or pressure, other than weight of its contents.
- b. Covered Causes of Loss. Coverage for loss caused by an accident, including mechanical breakdown, artificially generated electric current, explosion, an event inside steam boilers, pipes, engines or turbines, an event inside hot water boilers, bursting, cracking, or splitting.
- c. Loss Valuation. As per property coverage.
- d. Coinsurance. No coinsurance shall apply.
- e. Courtesy vehicle for political office bearers

3. Data Processing System Equipment and Media Extension

- a. Coverage against all risks of direct physical loss or damage, and extra expense.
- b. Loss Valuation. Replacement cost.

F. FIDELITY AND CRIME COVERAGES

1. Commercial Blanket Bond

- a. Coverage. Loss of money or other property which the Named Member shall during the term of coverage, sustain or discover that it has sustained through larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, willful misapplication or other fraudulent or dishonest act or acts committed by any one of its officials or employees, acting alone or in collusion with others.
Coverage also includes loss due to the acceptance of counterfeit currency or any post office or express company money order not paid when presented.

2. Faithful Performance

- a. Coverage. Loss caused to the Named Member through the failure of any of the Named members officials or Employees to faithfully perform duties as prescribed by law when such failure has as its direct and immediate result a loss to money or securities and other property.

3. Money and Securities

- a. Coverage. Loss caused by reason of theft, burglary, robbery, kidnapping, disappearance or destruction of money or securities, at any premises occupied or used by the Named Member or within a bank or trust company premises.
Loss caused by reason of theft, burglary, robbery, or disappearance or destruction of money or securities (other than by fraud or connivance of the Named Member's officials or employees), while in transit in the custody of the Named Member's officials or employees anywhere.

4. Forgery or Alteration

- a. Coverage. Loss resulting directly from forgery or alteration (by other than a Named Member's official or employee) of, on or in any covered instrument (checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain), made or drawn upon the Named Member or one acting as the Named Member's agent

4.1 Areas of Insurance to be covered:

NATURE OF SERVICES REQUIRED & PRICING		YEAR1	
TYPE OF INSURANCE	SUM INSURED	PREMIUM AMOUNT INCLUSIVE OF VAT	ACCESS AMOUNT INCLUSIVE OF VAT
Combined			
Standard Construction Buildings + Contents + Plant and Machinery	R473 121 505.00		
Shayamoya Study Library	R 37 707 889.50		
Property in the Open - Sub Station & Transformers	R182 271 485.00		
Property in the Open - Statue	R 954 000.00		
Plant & Machinery			
Reasonable Precaution	R 100 000.00		
Theft of immovable Property	R 50 000.00		
Malicious Damage caused by thieves	R 50 000.00		
Claims Preparation Costs	R 100 000.00		
Accidental Damage			
Sum Insured	R 1 000 000.00		
Accounts Receivable			
Outstanding Debit Balance	R 250 000.00		
Claims Preparation Costs	R 100 000.00		
Business Interruption			
Gross Profit (12 Months)	R 3 000 000.00		
Fines & Penalties	R 10 000.00		
Claims Preparations Costs	R 100 000.00		

Office Contents			
General Contents	R 8 293 076.00		
Loss of Rent	R 1 858 697.50		
Locks & Keys	R 5 000.00		
Claims Preparation Costs	R 100 000.00		
Houseowners			
All Buildings of Private Houses	R 35 592 458.00		
Business All Risks	R 1 000 000.00		
All Other Specified Items:			
Cover excludes cellphones & Laptops			
Increase in Cost of Working	R 10 000.00		
Locks & Keys	R 5 000.00		
Claims Preparation Costs	R 100 000.00		
Theft			
First Loss Limit	R 200 000.00		
Goods in the Open	R 100 000.00		
Reasonable Precaution	R 20 000.00		
Malicious Damage	R 20 000.00		
Locks & Keys	R 10 000.00		
Claims Preparation Costs	R 100 000.00		
Money			
Major Limit	R 50 000.00		

Seasonal Increase - 2 weeks each month	R 150 000.00		
Crossed Cheques	R 250 000.00		
Receptacles			
Money in the custody of Authorised			
Council Employee			
Money whilst on the Insured's			
premises			
Locks and Keys	R 7 500.00		
Personal Accident:-			
Capital Amount	R 25 000.00		
Weekly Amount	R 500.00		
Medical Expenses	R 5 000.00		
Claims Preparation Costs	R 100 000.00		
Goods In Transit			
Load Limit	R 100 000.00		
Claims Preparation Costs	R 100 000.00		
Glass			
Interior & Exterior, including Mirrors	R 150 000.00		
Claims Preparation Costs	R 100 000.00		
Fidelity			
Limit any one Period	R 100 000.00		
Costs of Recovery Extension	R 5 000.00		
Stated Benefits			
Councillors			
Basis of Cover : Blanket			

Cover : 24 Hours			
Total Annual Earnings	R 8 495 578.00		
Death	2 Times Annual Earnings		
Permanent Disability	such percentage of 2 X Annual Earnings as is specified for a particular disability		
Temporary Total Disability	100% of average weekly earnings for a period longer than 1 week but not longer than 104 weeks		
Medical Expenses	R10 000.00		
All Employees			
Basis of Cover : Blanket			
Cover : 24 Hours			
Total Annual Earnings	R121 131 736.00		
Death	3 Times Annual Earnings		
Permanent Disability	such percentage of 3 X Annual Earnings as is specified for a particular disability		
Temporary Total Disability	100% of average weekly earnings for a period longer than 1 week but not longer than 104 weeks		
Medical Expenses	R 2 000.00		
Additional Death Benefit	R 10 000.00		
Repatriation	R 10 000.00		
Mobility	R 10 000.00		
Relocation	R 10 000.00		

Claims Preparation Costs	R 100 000.00		
Maximum limit any one life	R10 000 000.00		
Maximum limit any one event	R 2 000 000.00		
Electronic Equipment			
Computer Equipment	R 5 796 755.00		
Software & Licence	R 3 495 781.00		
Laptops	R 2 239 659.00		
Reconstruction of Data	R 50 000.00		
Increase in Cost of Working	R 50 000.00		
Claims Preparations Costs	R 100 000.00		
Machinery Breakdown			
On Machinery	R 6 050 850.00		
Machinery Breakdown - ICOW			
Claims Preparation Costs	R 100 000.00		
Machinery Breakdown Business Interruption			
Indemnity Period	6 Months		
Increase in Cost of Working	R 6 123 460.00		
Claims Preparation Costs	R 100 000.00		
Motor Own Damage- value up to R500 000 - Comprehensive	R 13,403,817.31		
Private type motor cars, Minibuses, LDVs, Trucks and special type vehicles (Value below R500 000.00)(listed in schedule A)			
Car hire (4X4 SUV for 30 days)			

Liabilities			
Limit of Liability	R 2000 000.00		
Spread of Fire	R 1000 000.00		
Wagerole			
Wrongful Arrest	R 250 000.00		
Legal Defence Costs	R 100 000.00		
Employers Liability	R 5000 000.00		
Motor Fleet Liabilities			
Fare Paying Passengers	R 2 000 000.00		
Other	R 2 000 000.00		
Any other event and the aggregate of a and b	R 2 000 000.00		
Excess Layer Liabilities			
Property Damage and Personal Injury	R98 000 000.00		
Sasria (RIOT)			
Combined	R 606 749 787.55		
Business Interruption	R 3 110 000.00		
Office Contents	R 2 954 926.00		
Houseowners	R 36 958 304.00		
Business All Risks	R 1 105 000.00		
Glass	R 150 000.00		
Money	R 50 000.00		
Electronic Equipment	R 15 257 556.24		
Goods In Transit	R 100 000.00		
Machinery Breakdown - Assets	R 6 050 850.00		
Machinery Breakdown - ICOW	R 6 123 460.00		
Motor Fleet (61 vehicles)			
TOTAL			

VEHICLES OVER R500 000			YEAR1	
	PURCHASE DATE	COST	PREMIUM (VAT EXCLUSIVE)	ACCESS (Please do not include percentages)
Chevrolet Trail Blazer 2015	25/11/2015	526,927.61		
Toyota Land Cruiser Prado	5/2/2017	1,090,048.75		
Toyota Fortuner 2.8 GD-6 RB	5/2/2017	634,627.50		
Toyota Fortuner 2.8 GD-6 RB	5/2/2017	634,627.50		
Toyota Quantum Bus 2.7 GL	3/23/2018	549,623.80		
Toyota Fortune	2/26/2019	594,488.00		
UD Truck	25/10/2018	897,391.01		
Fire truck	16/08/2018	3,886,499.95		
VW 22 Seater mini bus	6/15/2020	563,268.90		
ISUZU MOTORS SOUTH AFRICA ISUZ	2/2/2023	676,587.67		
TOYOTA SOUTH AFRICA TOYOTA SOU	11/18/2022	729,431.20		
TOYOTA SOUTH AFRICA TOYOTA SOU	11/18/2022	729,431.20		
TOYOTA SOUTH AFRICA TOYOTA SOU	11/18/2022	729,431.20		
ISUZU MOTORS SOUTH AFRICA ISUZ	2/2/20223	695,877.22		
ISUZU MOTORS SOUTH AFRICA ISUZ	1/22/2024	647,525.09		
COMPACT TRUCK	11/11/2011	1,601,764.95		

Caterpillar Compactor	01/07/2017	1,422,700.92		
Caterpillar Backhoe Loader	28/02/2018	792,407.89		
CATERPILLAR	01-05-2013	582,000.00		
CATERPILLAR	01-05-2013	582,000.00		
Compactor Truck	22/11/2017	3,009,014.30		
Galion 830 Grader	30/06/2008	596,000.00		
Tiper Truck FV26-310 Tip	30/6/2008	586,175.00		
TOTAL		22,757,849.65		

SCHEDULE A; List of vehicles below R500 000

DESCRIPTION	PURCHASE DATE	COST(R)
LAND CRUISER 70	8/5/2011	428,861.91
TOYOTA HILUX	8/5/2011	421,185.22
TOYOTA HILUX	8/1/2011	364,921.00
TOYOTA QUANTUM	8/1/2011	285,925.66
NISSAN NP200	8/1/2011	144,850.88
ISUZU KB 300 LWB LE 4X4	9/26/2011	130,699.93
ISUZU KB 300 LWB LE 4X4	9/26/2011	130,699.93
ISUZU KB 300 LWB LE 4X4	9/26/2011	129,208.64
NISSAN NP200	7/29/2011	126,675.00
NISSAN NP200	7/29/2011	120,675.00
NISSAN NP200	8/1/2011	120,675.00
NISSAN NP200	8/1/2011	116,175.00
NISSAN NP200	8/2/2011	116,175.00

ISUZU KB 300 LWB S/ CAB LE 4X4	9/26/2011	110,048.33
ISUZU KB 300 LWB S/ CAB LE 4X4	9/26/2011	105,337.84
ISUZU KB 300 LWB S/ CAB LE 4X4	9/26/2011	87,528.48
TOYOTA COROLLA	11/25/2010	205,077.93
TOYOTA COROLLA	11/25/2010	205,077.93
Isuzu K B 200 S	30/06/2008	50,179.18
Ford Courier LD	30/06/2008	50,179.18
TOYOTA HILUX	11/25/2010	175,129.21
FORD IKON 1.6	11/25/2010	156,418.26
CHEVROLET AVEO 1.6	11/25/2010	149,660.60
Nissan NP 300	30/10/2012	185,964.00
Nissan NP 300	30/10/2012	185,964.00
Nissan NP 300	30/10/2012	191,464.00
Nissan NP 300	01/11/2012	177,009.00
Nissan NP 300	01/11/2012	239,485.00
Nissan NP 300	18/10/2012	239,485.00
Nissan NP 300	01/11/2012	269,360.00
Toyota Hilux S/C2.0VVTi	3/23/2018	292,518.62
Ford Focus 1.0Ecoboost Trend	3/23/2018	420,467.34
Toyota Hilux	10/05/2019	263,649.39
Toyota Hilux	10/05/2019	263,649.39
Toyota corolla 1.3 Prestige	24/04/2019	307,797.24
Toyota corolla 1.3 Prestige	24/04/2019	307,797.24
NISSAN SA (PTY)LTD VEHICL	6/11/2020	274,382.43
NISSAN SA (PTY)LTD VEHICL	6/11/2020	274,382.43
Ford Ranger 2.2 TDCI Super Cab Base 5MT 4X2 RAP CAB	1/29/2020	305,782.29
Ford Ranger 2.2 TDCI Super Cab Base 5MT 4X2 RAP CAB	1/29/2020	305,782.29
Mahindra PickUp 2.2	14/03/2022	170,687.02

NISSAN NP2001.6 8V E0 Phase 2K7M	21/12/2021	149,599.10
TOYOTA SOUTH AFRICA TOYOTA SOU	2/23/2022	466,619.00
NISSAN NP 200	6/30/2023	180,808.37
Waste Trailler	30/06/2008	8,363.20
Waste Trailler	30/6/2008	8,363.20
Trailer	30/06/2008	8,363.20
Trailer	30/06/2008	8,363.20
Trailer	30/06/2008	8,363.20
TRAILER	30/06/2008	8,363.20
TRAILER	30/06/2008	8,363.20
Trailer	30/06/2008	8,363.20
Trailer	30/06/2008	8,363.20
TRAILER	30/06/2008	8,363.20
Tractor	30/6/2008	25,089.59
TLB	2/6/2008	145,035.00
Tipper Trailers 3ton Refuse Cage	22/12/2010	71,550.00
Tipper Trailers 3ton Refuse Cage	22/12/2010	71,550.00
New Holland Tractor	30/06/2008	176,000.00
New Holland Tractor	30/06/2008	200,000.00
Motorbike robot light	30/6/2008	14,999.00
Motor Cycle Tester	7/2/11	6,690.56
Motor Cycle Test Unit	30/6/2008	24,999.00
Motor Bikes	05/10/2012	32,837.50
Motor Bikes	05/10/2012	32,837.50
McNay Telecon Trailer	30/06/2008	8,308.00
Massey-Ferguson	30/06/2008	125,085.00
Massey Ferguson 2904WD	25/06/2019	414,864.13
Massey Ferguson 2904WD	25/06/2019	414,864.13
Massey Ferguson 290 4wd tractor(PPE)	22/04/2021	460,169.25
Massey Ferguson 290 4wd tractor(PPE)	22/04/2021	460,169.25

JOHN DEERE TRACTOR	30/06/2008	226,315.78
John Deere Tractor	19/06/2012	201,656.57
John Deere 5425	12/12/2010	226,315.78
JOHN DEER TRACTOR	30/06/2008	226,315.78
Isuzu Water Tanker	30/06/2008	83,631.96
Heavy Duty Trailor	30/06/2008	8,363.20
Heavy Duty Trailer	30/06/2008	4,751.40
Heavy Duty Trailer	30/06/2008	4,751.40
Heavy Duty Trailer	30/6/2008	8,363.20
Heavy Duty Trailer	30/06/2008	8,363.20
Heavy Duty Trailer	30/06/2008	8,363.20
Heavy Duty Trailer	30/6/2008	8,363.20
Heavy Duty Trailer	30/06/2008	8,363.20
Heavy Duty Trailer	30/06/2008	8,363.20
Grader	30/06/2008	16,726.39
Ford Tractor	30/6/2008	25,089.59
Ford 5610 Tractor	30/06/2008	25,089.59
Compressor	6/30/2008	1,642.91
6 Ton tipper trailer	10/02/2020	105,200.00
2 Ton Venter Trailer	30/06/2008	25,089.59
TOTAL		13,403,817.31

NB.

COVER MUST INCLUDE SASRIA FOR ALL ITEMS LISTED ABOVE.

Total Cost Cover: R _____

VAT: R _____

TOTAL PRICE: R _____ (All Applicable Taxes)

Annual Escalation Percentage: _____

5. DELIVERABLES

A core summary of the services to be rendered by the service provider is as follows:

- Receiving and processing claims documentation.
- Negotiating with relevant Insurers, third party, attorneys, and loss adjuster on all claim aspects.
- Production of Claims Experience.
- Attending to Third Party recoveries.
- Appointment of Loss Adjusters.
- Scrutinizing Loss Adjusters reports.
- Obtaining Claims Cheques.
- Settling claims Cheques.
- Settling claims of behalf of the GKM direct with service provider.
- Visiting the scene of the large claims with the Loss Adjusters.

6. EXPECTED OUTCOME.

- Meeting with appropriate personnel on all Insurance matters
- Producing reports and Policy Digests
- Monitoring and amending policy Documents.
- Visiting the various centers to review Asset values.
- Insurance training of staff when required.
- Preventative Risk Control investigations and recommendations
- Risk Control advice on an ongoing basis.
- Discussing areas of under insurance
- Discussing uninsured Risk; and
- Reviewing Insurance needs to assess whether current arrangements are relevant.
- Parties record that comprehensive details of the services to be rendered are set out in Schedule 3 hereto. In the event of any dispute relating to the services to be rendered, the content of the Schedules shall prevail.
- Amendments to the scope of services shall not be valid or enforceable unless the provisions of the MFMA in respect of such proposed amendments have been complied with
- Once the MFMA provisions have been complied with, such amendments shall thereafter be.

7. KEY COMPETENCIES

7.1 Service providers appointed to undertake this project should demonstrate the following key competences.

- a) Experience in Short Term Insurance and a clear methodology on the execution of the project.

8. PROJECT MANAGEMENT

8.1. The Service Provider will work very closely with the Greater Kokstad Municipality

8.2. The Assets and Financial reporting Manager is designated as the project Manager

9. PROJECT TIMEFRAME

- a) The project is for a period of three years.

10. PROJECT BUDGET

- a) Service Providers must present a work plan and budget consistent with the amount of work as specified in the “scope of work”. The work shall vary from time to time depending on the need from the Municipality as shall be confirmed via the means of an official order.

11. ELIGIBILITY CRITERIA

Tender offers will only be accepted if:

1. The tenderer is compliant in their tax matters with the South African Revenue Services (SARS).
2. The Form of Offer is completed and signed.
3. The tenderer has attended the Compulsory Briefing Session
4. The tenderer or any of its directors/shareholders is not listed on the Register of Tender Defaulters and restricted service providers in terms of the Prevention and Combating of Corrupt Activities Act of 2004 person prohibited from doing business with the public sector.

5. The tenderer is not in the service of the state.
6. The tenderer has not:
abused the Employer's Supply Chain Management System; or
failed to perform on any previous contract and has been given a written notice to this effect.
7. The tenderer is registered on the Central Supplier Database and with CIDB (when required)
8. The tenderer is not in arrears for more than 90 days municipal rates and taxes and municipal service charges. The latest municipal account is to be attached. The statement must not be older than three months from the closing date of this tender. Alternatively, if the tenderer is currently leasing premises and is not responsible for the payment of municipal services, a copy of a valid Lease Agreement and an affidavit if the tenderer is not liable for municipal services for whatever reasons clarifying the reasons.
9. A Joint-Venture Agreement, if applicable, is submitted with tender.
10. Tenderer has attached the documents required for functionality assessment for verification purposes and the tenderers score meets the minimum threshold in respect of the Functionality Assessment.
11. The following schedules are fully completed and signed:
 - i. Invitation to bid – MBD 1
 - ii. Declaration of interest – MBD 4
 - iii. Declaration of bidder's past supply chain management practices – MBD 8
 - iv. Certificate of independent bid determination – MBD 9
 - v. Proof of good standing with municipal accounts
 - vi. Authority for signatory
 - vii. Joint venture agreement (if applicable)

12. EVALUATION CRITERIA

11.1 FUNCTIONALITY (100)

11.1.1 All bids received will be evaluated by a panel on a basis of functionality.

The following functionality criteria will be applicable, and the maximum score of each criterion are stated in brackets in the table below.

CRITERIA FOR FUNCTIONALITY	Max. Points	Basis for Points Allocation	Verification Method
COMPANY ACCREDITATION (20)	20	Proof of Accreditation/ registration with Insurance regulatory body: •The Financial Service Board (FSB-SA), and must have FSP number ALL THE ABOVE MUST BE IN THE COMPANY NAME	Attach certified copy of FSB License
COMPANY EXPERIENCE (40)	40	The bidder must submit the signed Appointment letters and reference letters reflecting the insurance services, with clients contact details and names: (Attach appointment letter and reference letter) 06 and above appointment letters with reference letters = 40 points 3-5 appointment letters with reference letters = 30 points 1-2 appointment letters with reference letters = 20 points	Order/Appointment and reference letters.
KEY PERSONNEL (40)	Max. Points	Years of Experience and Qualifications	Detailed CV and certified Qualifications
	30	KEY ACCOUNT MANAGER CV of key account manager with the following: Relevant experience in insurance industry and NQF Level 6 finance related qualification: 0 years = 0 (points)	Attach CV and certified proof of qualifications

		• 1-2 years = (10 points) • 3-5 years = (20 points) • 6 years and more = (30 points)	
	10	• Licentiate (LIISA) Certificate of Competence to practice Insurance services. = 10	Attach certified proof of LIISA Certificate
Total Points	100		

A bidder that scores less than 60 points out of 100 in respect of “functionality” will be regarded as submitting a non-responsive bid and will be disqualified.

POINTS AWARDED FOR PRICE AND SPECIFIC GOALS

The following preference point systems are applicable to this bid:

The 80/20 system for requirements with a Rand value below R50 000 000.

The value of this bid is estimated to be below R50 000 000.00 and therefore the 80/20 system shall be applicable.

Points for this bid shall be awarded for:

Price and Preferential Procurement Framework Act

The points allocated for price will be calculated as follows:

80/20 Preference point system [(for acquisition of services, works or goods with a Rand value below R1million) (all applicable taxes included)].

Where

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

P_s = Points scored for comparative price of bid or offer under consideration

P_t = Comparative price of bid or offer under consideration

P_{min} = Comparative price of lowest acceptable bid or offer.

Points scored will be rounded off to the nearest 2 decimal places.

Step 2: Calculation of points for specific goal points

Points will be awarded to a bidder for attaining the required goals and submitting the required documentation as requested below:

The 80/20 preferential point system will be applied, where 80 points will be allocated for price and 20 points for Municipality's specific goals that is on ownership and RDP goals.

PREFERENCE	80/20	Documents required for verification
GOAL 1 – Ownership- Maximum Points	10	
Business owned 50% or more by black people.	5	▪ ID copy of director/Owner ▪ Detailed CSD
Business owned 50% or more by black woman.	5	▪ ID copy of director/Owner ▪ Detailed CSD
GOAL 2 – RDP- Maximum Points	10	
Business falls under the SMME Category- QSE/EME	5	▪ Detailed CSD Report/ BBBEE Certificate/sworn affidavit.
Promotion of business located within KZN province	5	▪ Municipal accounts not older than 90 days/ ▪ Lease agreement ▪ Affidavit if you are not liable to pay rates (to clarify reasons why you are not liable)

PART A

INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE GREATER KOKSTAD MUNICIPALITY					
BID NUMBER:	GKM 35-23/24	CLOSING DATE:	07 JUNE 2024	CLOSING TIME:	12H00
DESCRIPTION	PROVISION OF PANEL OF INTERNAL AUDIT SERVICES FOR A PERIOD OF 36 MONTHS				
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)					
75 HOPE STREET KOKSTAD 4700					
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			TOTAL BID PRICE	R	
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	Budget and Treasury Office		DEPARTMENT	OMM	
CONTACT PERSON	Andiswa Mahlaka		CONTACT PERSON	A. Van Zyl	
TELEPHONE NUMBER	039 797 6743		TELEPHONE NUMBER	039 797 6643	
FACSIMILE NUMBER	039 727 3676		FACSIMILE NUMBER	039 727 3676	
E-MAIL ADDRESS	Andiswa.Mahlaka@Kokstad.gov.za		E-MAIL ADDRESS	Alucia.vanzyl@kokstad.gov.za	

**MBD1
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)	
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	
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
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.	

NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS WILL 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:

MBD 3.1
PRICING SCHEDULE – FIRM PRICES (PURCHASES)

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

PROVISION OF SHORT TERM INSURANCE FOR A PERIOD OF 3 YEARS	YEAR	AMOUNT (R)
PRICE ESTIMATE (ALL INCLUSIVE)		
Year 1=	1	
Year 2=	2	
Year 3=	3	
TOTAL YEARS 1-3 =		
		
	SUB-TOTAL	
	VAT (15%)	
	TOTAL	

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.

CONDITIONS OF TENDER

- Price(s) quoted must be valid for at least (120) days from date of offer for evaluation purposes.
- Price(s) quoted must be firm and include VAT (**Non-compliance** with the Value Added Tax Act,1991; i.e. In terms of this Act **it is mandatory** for any business **to register for VAT** if the income earned in any consecutive twelve (12) month period exceeds or is likely to exceed R 1 million.
NB: Bidder/s failing to comply with this provision of the Value Added Tax Act,1991 **WILL NOT BE CONSIDERED**, therefore rejected)
- Tenderers original valid tax clearance certificate must be attached.
- Tender documents signed by a person who does not have authority to sign will be disqualified.
- Tenderers who did not complete the compulsory questionnaire, who abuse the employer’s supply chain management system will not be conceded
 - Non-collusion affidavit to be executed by bidder and submitted with the bid

MBD 4

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 favoritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorized representative declare their position in relation to the evaluating/adjudicating authority.
3. **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

MBD 6.1

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

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

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

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

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms

of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

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

2. DEFINITIONS

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

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

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:

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

Where

- P_s = Points scored for price of tender under consideration
 P_t = Price of tender under consideration
 P_{max} = 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
 - (c) determine the applicable preference point system,
- then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
GOAL 1- Ownership – Maximum Points (points are not cumulative)	10	Detailed CSD Report Certified ID Copy
Business owned more than 50% by black person	05	
Business owned less than 50% by black person	03	
Business owned more than 50% by women	05	
Business owned less than 50% by women	03	
GOAL 2 – RDP – Maximum Points (points are not cumulative)	10	
Business falls under the SMME- Category- QSE/EME	5	Detailed CSD Report/ BBEE Certificate/ sworn affidavit
Promotion of business located within Greater Kokstad Municipality	5	- Municipal accounts not older than 90 days - Lease agreement if you are leasing or - Affidavit if you are not liable to pay rates (to clarify reasons why you are not liable).

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number:
.....

4.5. TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

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

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

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

MBD 8

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

MBD 9

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.

MBD 9

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:

GREATER KOKSTAD MUNICIPALITY

(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:

(Name of Bidder) that:

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.

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

INSTRUCTIONS TO TENDERERS

In submitting their bid, bidders must respect all instructions, forms, Terms of reference, contract provisions and specifications contained in this bid dossier. Failure to submit a bid containing all the required information and documentation within the deadline specified will lead to the rejection of the bid.

1. Services to be provided

These services required by the Contracting Authority are described in these Terms of Reference.

2. Participating and sub-contracting

2.1 Participation in this bid is open to everyone.

2.2 Bids should be submitted by the same service provider or consortium, which has submitted the proposal based on the above. **No change whatsoever in the identity or composition of the bidder is permitted.**

2.3 Short-listed service provider or consortia are allowed to form alliances with any other firms or to sub-contract to each other for the purpose of this contract.

2.4 Sub-contracting will be allowed, only in so far as it was stated in the initial bid.

2.5 Duplication of bid document is prohibited.

3. Financial offer

The financial offer must state the bidder's price in South African Rand for providing the services according to its Technical offer.

The same

person, who signed the corresponding Technical offer, must sign this document.

4. Variant solutions

Any variant solutions will not be taken into consideration.

Period during which Bid are binding

Bidders are bound by their bids for 120 days after the deadline for the submission of bids. In exceptional cases, before the period of validity expires, the Contracting Authority may ask bidders to extend the period for a specific number of days, which may not exceed 60.

The successful bidder must maintain its bid for a further 60 days from the date of notification that its bid has been selected for the contract.

5. Additional information before the deadline for submission of bidders

The bid dossier should be clear enough to avoid the Contracting Authority from having request additional information during the procedure. If the Contracting Authority, either on own initiative or in response to the request of a short-listed candidate, provides additional information on the bid dossier, such information will be sent in writing to all other bidders at the same time.

Bidders may submit questions in writing to the following address up to 7 days before the deadlines for submission of bids, specifying the **publication reference** and the **contract title**:

Attention: Ms. A. Mahlaka
Greater Kokstad Municipality
75 Hope Street
P.O. Box 8
KOKSTAD
4700

Email: Andiswa.Mahlaka@kokstad.gov.za

Any prospective bidders seeking to arrange individual meetings with the Contracting Authority during the bid period may be excluded from the bid procedure.

Any clarification of the bid dossier will be communicated simultaneously in writing to all bidders at the latest 7 calendar days before the deadline for submission of bids. No further clarifications will be given after this date.

Visit by individual prospective bidder during the bid period are not permitted other than the site visit for good reasons.

6. Certified Copies

The tenderer shall, where required in terms of the tender document submit with the proposal, certified copies of all certificates specified. Failure to do so may render the proposal liable to rejection on the grounds of being incomplete. Copies of certified documents will not be accepted.

7. Bids Exceeding R10 Million

If the tendered value exceeds R10 million (VAT included), bidders are required to furnish: if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements:

- for the past three years; or
- since their establishment if established during the past three years;
- ii. a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;
- iii. particulars of any contracts awarded to the bidder 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
- iv. a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and
- v. Disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.

8. Submission of Bids

Sealed tenders, with the "Tender Number and Title" clearly endorsed on the envelope, must be deposited in the tender box indicated at the Greater Kokstad Municipality Main Offices, 75 Hope Street, Kokstad.

Bids must be submitted in English such that they are received before the deadline specified by in the letter of invitation to bid.

Any infringement of these rules (e.g. unsealed envelopes) is to be considered a breach of the rules and will lead to rejection of the bid.

If a courier service company is being used for delivery of the tender document, the tender description must be endorsed on the delivery note/courier packaging and the courier must ensure that documents are placed / deposited into the tender box. The GKM will not be held responsible for any tender document which is not timeously delivered, mislaid or incorrectly delivered due to the negligence of the courier company or any other party involved in the delivery of the tender document.

Please note:

- Tenders that are deposited in the incorrect box will not be considered.
- Telegraphic or faxed tenders will not be accepted.
- The use of correction fluid/tape on the bid documents is not allowed. If there is an error, draw a line through it, initial next to it and make the correction directly above /below/next to it.
- All bids must be submitted in writing on the official forms supplied (not to be re-typed)
- All prices shall be quoted in South African currency.

The envelope should carry the following information:

- a) The address for submission of bid indicated above;);
- b) The words “Not to be opened before the bid opening sessions”;
- c) The pages of the Technical and Financial offers must be numbered.

9. Alterations or Withdrawal of Bids

9.1 Bidders may alter or withdraw bids by written notification prior to the deadline for submission of bids. No bid may be altered after this deadline.

9.2 Any such notification of alteration or withdrawal shall be prepared and submitted in accordance with clause 8. The envelope must be marked “Alteration” or “Withdrawal” as appropriate.

10. Costs for preparing Bids

No costs incurred by the bidder in preparing and submitting the bid shall be reimbursable. All such costs shall be borne by the bidder. In particular, if proposed key members were interviewed, all costs shall be borne by the bidder

11. Ownership of Bids

The Contracting Authority retains ownership in all bid received (this excludes intellectual property for all but the successful bidder) under this tendering procedure. Consequently, bidders have no right to have their bids returned to them.

12. Confidentiality

The entire evaluation procedure, from the drawing up of the shortlist to the signature of the contract, is confidential. The Evaluation / Adjudication Committee's decisions are collective and its deliberations are held in closed session. The members of the Evaluation / Adjudication Committee are bound to secrecy.

The evaluation reports and written records, in particular, are for official use only and may be communicated to neither the bidders nor to any party other than the Contracting Authority.

13 Ethics clauses / Corruptive practices

- a) Any attempt by a bidder to obtain confidential information, enter into unlawful agreements with competitors or influence the Evaluation / Adjudication Committee or the Contracting Authority during the process of examining, clarifying, evaluating, comparing and adjudication bid will lead to the rejection of its bid and may result in administrative penalties.
- b) The bidder must not be affected by any potential conflict of interest.
- c) The Greater Kokstad Municipality reserves the right to suspend or cancel funding to this project if corrupt practices of any kind are discovered at any stage of the

award process or during the implementation of a contract, if the Contracting Authority fails to take all appropriate measures to remedy the situation. For the purposes of this provision, “corrupt practices” are the offer of a bribe, gift, gratuity or commission to any person as an inducement or reward for performing or refraining from any act relating to the award of a contract or implementation of a contract already concluded with the Contracting Authority.

- d) Bids will be rejected or contracts terminated if it emerges that the award or execution of a contract has given rise to unusual commercial expenses. Such unusual commercial expenses are commissions not mentioned in the main contract or not stemming from a properly concluded contract referring to the main contract, commissions not paid in return for any actual and legitimate service, commissions paid to a payee who is not clearly identified or commissions paid to a company which has every appearance of being a front company.

Failure to comply with one or more of the ethics clauses may result in the exclusion of the bidder or contractor from other Community contracts and in penalties.

14. Objections/Complaints

When the Municipality’s Bid Adjudication Committee has resolved that a tender be accepted, the municipality will publish the intention to award for a period of 14 calendar Days.

Any Tenderer wishing to exercise their right to appeal must submit their appeal in writing within 14 calendar days of publication of the Intention to Award. For the appeal to be considered, it must reach the municipality within the fourteen-day appeals period and be addressed to the Municipal Manager. Moreover, the appeal must be copied to the Supply Chain Manager and adhere to the following format:

- 14.1. Clearly set out the reasons for the appeal,
- 14.2. Clearly state in which way the appellant’s rights have been affected by the decision,
- 14.3. Clearly state the relief or remedy sought by the appellant, and
- 14.4. be accompanied by a copy of the Intention to Award or notification advising the Tenderer of the decision of the Municipality.

If no bona fide appeals have been received within the appeals period, the successful Tenderer will be notified of the Municipality’s acceptance of their bid. The consideration of appeals and, if necessary, the invalidation of any decision made, shall be dealt with in terms of Municipality’s appeals process.

15. Documentary evidence required from the successful Bidder

The successful bidder will be informed in writing that its bid has been accepted (notification of award). Before the Contracting Authority signs the contract with a Successful bidder, a successful bidder may be requested to provide additional information as deemed necessary by the Contracting Authority.

This evidence or these documents must carry a date, which cannot be more than 180 days in relation to the deadline for the submission of the bidder. In addition, a sworn statement shall be furnished stating that the situations described in these documents have not changed since then.

If the successful bidder fails to provide these documents or is found to have provided false information, the award will be considered null and void. In such a case, the Contracting Authority may award the bid to another bidder or cancel the bid procedure.

16. Signature of contract(s)

Within 7 days of receipt of the contract already signed by the Contracting Authority, the selected bidder shall sign and date the contract and return it to the Contracting Authority.

Failure of the selected bidder to comply with this requirement may constitute grounds for the annulment of the decision to award the contract. In such a case, the Contracting Authority may award the bid to another bidder or cancel the bid procedure.

The other candidates will be informed that their bids were not accepted, by means of a standard letter.

17. Cancellation of the Bids procedure

The Municipality reserves the right to cancel or withdraw any invitation to tender and/or to re-advertise or to reject any tender or to accept a part of it. The Municipality does not bind itself to accepting the lowest tender.

Cancellation may occur when:

- The bid procedure has been unsuccessful, i.e., no qualitatively or financially worthwhile bid has been received or there is no response at all;

- The economic or technical data of the project have been fundamentally altered;
- Exceptional circumstances or *force majeure* render normal performance of the contract impossible;
- All technically compliant bids exceed the financial resources available;
- There have been irregularities in the procedure, in particular where these have prevented fair competition.

In no event shall the Contracting Authority be liable for any damages whatsoever including, without limitation, damages for loss of profits, in any way connected with the cancellation of a bid even if the Contracting Authority has been advised of the possibility of damages.

The publication of a procurement notice does not commit the Contracting Authority to implement the programme or project announced.

18. Wrong Information Furnished

Where a contract has been awarded on the strength of the information furnished by the bidder which, after the conclusion of the relevant agreement, is proved to have been incorrect, the Municipality may, in addition to any other legal remedy it may have, recover from the contractor all costs, losses or damages incurred or sustained by the Municipality as a result of the award of the contract.

19. Incomplete tendering

Tenders may be rejected if they show any additional, conditional or incomplete offers or irregularities of any kind in either the Tender Form or the Pricing Schedule, or if the prices tendered in the Schedule are not market related i.e. the tendered rates does not conform to current day prices.

Partial awards **may** be made where this is perceived by the Head: Supply Chain Management or the Engineer to be in the best interests of the Council. Council reserves the right to take into account the principle of the distribution of works in order to empower SMME's and BEE's.

Should there be any difference or discrepancy between the prices and particulars contained in the Tender Form and those contained in any covering letter submitted by the Service Provider, the prices and particulars contained in the Tender Form shall prevail.

20. Prohibition on awards to persons in the service of the state

The Supply Chain Management Regulations states that the Council may not make any award to a person:

- (a) Who is in the service of the state;
- (b) If that person is not a natural person, of which and director, manager, principal shareholder or stakeholder is a person in the service of the state; or
- (c) Who is an advisor or consultant contracted with the municipality or municipal entity

21. Combative tendering

The Supply Chain Management Regulations states that Combative tendering practices are unethical and illegal.

These include but are not limited to:

- (a) Suggestions to fictitious lower quotations;
- (b) Reference to non-existent competition;
- (c) Exploiting errors in tenders;
- (e) Submission of two tenders by a Service Provider.

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).

Any attempt by a Service Provider to contravene this condition which brought to the notice of the Municipal Manager shall result in the disqualification of the tender. The Council further reserves the right to take any other action as it may deem necessary.

22. Conflict of interest, corruption and fraud

Notwithstanding any penalties that may be enforced against the service provider under South African Law, the Client will be entitled to terminate any Agreements or Contracts if it is shown that the Service Provider is guilty of:

- Offering, giving, receiving or soliciting anything of value with a view to influencing the behaviour or action of anyone, whether a public official or otherwise, directly or indirectly in the selection process or in the conduct of the Agreement; or
- Misrepresentation of facts in order to influence a selection process; or the
- Execution of a contract to the detriment of the Client, including the use of collusive practices intended to stifle or reduce the benefits of free and open competition.

23. Acceptance of any tender

The Council does not bind itself to accept the lowest or any tender and reserves the right to accept the whole or any part of a tender.

VERY IMPORTANT:

IF ANY OF THE ABOVEMENTIONED DOCUMENTS ARE NOT SUBMITTED OR COMPLETED IN THEIR ENTIRETY, THE BIDDER WILL BE DEEMED TO BE NON-RESPONSIVE AND DISQUALIFIED

In evaluating and adjudicating the bid the following criteria will be considered:

- a. Compliance with bid requirement
- b. evaluation of functionality
- c. Value for money
- d. Greater Kokstad Supply Management Policy

THE NATIONAL TREASURY
Republic of South Africa



GOVERNMENT PROCUREMENT:
GENERAL CONDITIONS OF CONTRACT
July 2010

1. Definitions

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 Vendor, 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 Vendor under the contract for the full and proper performance of his contractual obligations.
- 1.4 **“Corrupt practice”** means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
- 1.5 **"Countervailing duties"** are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- 1.6 **“Country of origin”** means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- 1.7 **“Day”** means calendar day.
- 1.8 **“Delivery”** means delivery in compliance with 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 consignee’s 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 Vendor 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 markets 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 Vendor and not involving the Vendor'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 Vendor 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 Vendor 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/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 Institution purchasing the goods/works and/or service.
- 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 ancillaries 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 Vendor 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 Vendors, 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/works and/or service supplied shall conform to the standards mentioned in the bidding documents and specifications.

5. Use of Contract Document and Information; Inspection

- 5.1 The Vendor 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 Vendor 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 Vendor 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 Vendor's performance under the contract if so required by the Purchaser.

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

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

6. Patent Rights

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

7.2 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.

7.3 The performance security will be discharged by the Purchaser and returned to the Vendor not later than thirty (30) days following the date of completion of the Vendor's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspection, Tests and Analysis

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 Institution or an organization acting on behalf of the Institution.
- 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 Vendor.
- 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 analysed 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 Vendor 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 Vendor's cost and risk. Should the Vendor fail to provide the substitute supplies forthwith, the Purchaser may, without giving the Vendor further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the Vendor.
- 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. Packaging

- 9.1 The Vendor 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 Vendor in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the Vendor are specified in SCC.
- 10.2 Documents to be submitted by the Vendor 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 Vendor 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 Vendor of any warranty obligations under this contract;
- e) training of the Purchaser's personnel, at the Vendor's plant; and /or
- f) on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2 Prices charged by the Vendor 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 Vendor for similar services.

14. Spare Parts

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

- a) such spare parts as the Purchaser may elect to purchase from the Vendor, provided that this election shall not relieve the Vendor 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 Vendor 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 Vendor 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 Vendor, 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 Vendor in writing of any claims arising under this warranty.
- 15.4 Upon receipt of such notice, the Vendor 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 Vendor, 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 Vendor's risk and expense and without prejudice to any other rights which the Purchaser may have against the Vendor under the contract.

16. Payment

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

16.2 The Vendor shall furnish the Purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment of other obligations stipulated in the contract.

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

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

17. Prices

17.1 Prices charged by the Vendor for goods/works delivered and/or services rendered under the contract shall not vary from prices quoted by the Vendor in this bid, with an exception of any price adjustments authorized in SCC or 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 Vendor shall not assign, in whole or in part, its obligations to perform under the contract, except with the Purchaser's prior written consent.

20. Subcontractors

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

21. Delay in Vendor's Performance

- 21.1 Delivery of the goods/works and/or performance of services shall be made by the Vendor 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 Vendor or its subcontractor(s) should encounter conditions impeding timely delivery of the goods/works and/or performance of services, the Vendor 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 Vendor's notice, the Purchaser shall evaluate the situation and may at his discretion extend the Vendor'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 essential services executed if an emergency arises, the Vendor's point of supply is not situated at or near the place the supplies are required or the Vendor's supplies or goods are not readily available.
- 21.5 Except as provided under GCC Clause 25, a delay by the Vendor in the performance of its delivery obligations shall render the Vendor 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 cancelling 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 Vendor'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 Vendor.

22. Penalties

- 22.1 Subject to GCC Clause 25, if the Vendor fails to deliver any or all of the goods/works and/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/works and/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 Vendor, may terminate this contract in whole or in part:

- a) if the Vendor 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 Vendor fails to perform any other obligation(s) under the contract; or
- c) if the Vendor, 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 and/or services similar to those undelivered, and the Vendor shall be liable to the Purchaser for any excess costs for such similar goods/works and/or services. However, the Vendor 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 Vendor by prohibiting such Vendor 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 Vendor or any person associated with the Vendor, the Vendor 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 Vendor 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 Vendor.

- 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 Vendor 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 Vendors 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 antidumping 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 vendor 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 as a result of an event of Force Majeure.
- 25.2 If a force majeure situation arises, the Vendor shall promptly notify the Purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the Purchaser in writing, the Vendor 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 on Insolvency

- 26.1 The Purchaser may at any time terminate the contract by giving written notice to the Vendor if the Vendor becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the Vendor, 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 Vendor 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 Vendor 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 Vendor any monies due the Vendor.

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 Vendor 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 Vendor to pay penalties and/or damages to the Purchaser; and
- b) the aggregate liability of the Vendor 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 Vendor 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 Vendor 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 Vendor 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 Purchaser 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. Transfer of contract

- 33.1. The contractor shall not abandon, transfer, cede assign or sublet a contract or part thereof without the written permission of the purchaser.

34. Amendments of contracts

34.1 No agreement to amend or vary a contract or order or conditions, stipulations or provisions thereof shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing

35. National Industrial Participation Programme

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

36. Prohibition of Restrictive Practices

36.1 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).

36.2 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.

36.3 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.

