

Phumelela Local Municipality



BID NUMBER: PLMT 24-25/12

PROVISION OF SHORT TERM INSURANCE PORTFOLIO FOR THREE (3) YEARS

Name of Company :

Contact No :

Bid Amount :

(THE AMOUNT SHOULD BE FOR ONE YEAR ONLY AND BE INCLUSIVE OF VAT)

BID DOCUMENT

Issued by:

Phumelela Local Municipality

52 Kuhn Street

Vrede

9835

Tel: 058 913 8300

Closing Date: 18 JUNE 2025

Closing Time: 12h00



Phumelela Local Municipality hereby invites bids for the following:

APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF SHORT-TERM INSURANCE FOR 3 YEARS

Completed tenders in a sealed envelope, clearly marked: Tender No. PLMT 24-25/12 must be placed in the tender box at the Phumelela Local Municipality Supply chain Office, 52 Kuhn Street, Vrede by no later than 12:00 on Wednesday, 11 June 2025.

Bids must be submitted on the original document and remain valid for ninety (90) days after the closing date

Tenders will be opened on the same day at 12:05. Late or unmarked tenders will not be considered. No posted/emailed tender will be accepted.

Tender documents will be available at a non-refundable deposit of R500 at the cashier in the Vrede Office.

Tender documents are available on the e-tenders portal, free of charge.

No compulsory briefing session will be held

Tenders will be evaluated and adjudication in terms of the Preferential Procurement Policy Framework Act (Act 5 of 2000)

Regulations 2022 and the Phumelela Municipality's Supply Chain Management Policy, where 80/20 point system will be used.

For more information, contact Mr. Francis Ralebenya (058) 913 8300/ cfo@phumelela.gov.za.

The Municipality reserves the right to withdraw any invitation to tender and/or to re-advertise or to reject any tender or to accept a part of it. The Municipality is not bound to accept the lowest or any tender.

A TCS PIN for bidders' tax compliance information must be submitted with the tender document.

It will be required from the successful bidder to register on the Central Supplier Database (CSD) (proof required).

Original or certified B-BBEE Status Level Verification Certificate / sworn affidavit must be attached to earn preference points

Bidders must score a minimum of 70 out of 100 points on functionality in order to be evaluated further for price and preference

Mrs GPN Mhlongo-Ntshangase

Municipal

MBD1

**PART A
INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF MUNICIPALITY/ MUNICIPAL ENTITY)					
BID NUMBER:	PLMT 24-25/12	CLOSING DATE:	18/06/2025	CLOSING TIME:	12h00
DESCRIPTION	Appointment of service provider for the provision of short-term insurance for the three years (3) years				
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 (52 kuhn street 9835)					
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:	
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES 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	Finance				
CONTACT PERSON	Mr NF Ralebenya				
TELEPHONE NUMBER	058 913 8300				
FACSIMILE NUMBER					
E-MAIL ADDRESS	cfo@phumelela.gov.za				

PART B TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:										
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION. 1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR ONLINE 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.										
2. TAX COMPLIANCE REQUIREMENTS										
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS. 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS. 2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA. 2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3. 2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID. 2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER. 2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.										
3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS										
<table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?</td> <td style="width: 30%; text-align: right;">☐ YES ☐ NO</td> </tr> <tr> <td>3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?</td> <td style="text-align: right;">☐ YES ☐ NO</td> </tr> <tr> <td>3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?</td> <td style="text-align: right;">☐ YES ☐ NO</td> </tr> <tr> <td>3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?</td> <td style="text-align: right;">☐ YES ☐ NO</td> </tr> <tr> <td>3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?</td> <td style="text-align: right;">☐ YES ☐ NO</td> </tr> </table> IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.	3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	☐ YES ☐ NO	3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?	☐ YES ☐ NO	3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	☐ YES ☐ NO	3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	☐ YES ☐ NO	3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	☐ YES ☐ NO
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									

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

SIGNATURE OF BIDDER :

CAPACITY UNDER WHICH THIS BID IS SIGNED:

DATE:

**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 favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.
- 3 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

3.1 Full Name of bidder or his or her representative:.....

3.2 Identity Number:

3.3 Position occupied in the Company (director, trustee, shareholder²):.....

3.4 Company Registration Number:

3.5 Tax Reference Number:.....

3.6 VAT Registration Number:

3.7 The names of all directors / trustees / shareholders members, their individual identity numbers and state employee numbers must be indicated in paragraph 4 below.

3.8 Are you presently in the service of the state? **YES / NO**

3.8.1 If yes, furnish particulars.

.....

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

(a) a member of –

- (i) any municipal council;
- (ii) any provincial legislature; or
- (iii) the national Assembly or the national Council of provinces;

(b) a member of the board of directors of any municipal entity;

(c) an official of any municipality or municipal entity;

(d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);

(e) a member of the accounting authority of any national or provincial public entity; or

(f) an employee of Parliament or a provincial legislature.

² Shareholder" means a person who owns shares in the company and is actively involved in the

management of the company or business and exercises control over the company.

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

3.9.1 If yes, furnish particulars.....

.....

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

3.10.1 If yes, furnish particulars.

.....

.....

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

3.11.1 If yes, furnish particulars

.....
.....

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

3.12.1 If yes, furnish particulars.

.....
.....

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

3.13.1 If yes, furnish particulars.

.....
.....

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

3.14.1 If yes, furnish particulars:

.....
.....

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

Full Name	Identity Number	State Employee Number

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

DECLARATION 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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

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

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

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of: _____ that:

(Name of Bidder)

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

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

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

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

Signature

.....
Date

C

.....
Position

.....
Name of Bidder

1. GENERAL CONDITIONS OF THE BID PROPOSAL

1. Definitions

In these Conditions of Bid, words and expressions shall have the meanings assigned to them in the various parts of the Bid Documents and in addition, the following words and expressions shall have the meanings assigned to them hereunder:

Words and Expressions	Meaning
"Addendum" and "Addendum to Bid"	any document so entitled and pertaining to the Bid, as may be issued by the Council to prospective Bidders at any time prior to the Closing of Bids
"Authorized"	By or with the prior written instruction, consent or approval of the Council and "unauthorized" means the converse.
"Closing of Bids"	The time and date before which Bids must be received by the Council and after which no further Bids will be accepted by the Council.
"Conforming Bid"	a bid which is strictly in accordance with the Bid Documents in all respects, without variation, addition, omission or qualification whatever.
"Bidder"	Any person, firm, or juristic party which submits a Bid to the Council in response to the Invitation issued or published by the Council inviting the submission of Bids.
"Bid Period"	The period between the issue by the Council, of an invitation to submit Bids for the project or the issue of the Bid Documents, whichever is the earlier, and the Closing of Bids.
brand names, trademarks, names, patent or producer,	Any reference in circumstances to brand names, trademarks, names, patent or producer, implies to be followed by the word "or similar" or "or equivalent".

2. INTERPRETATION

2.1. APPLICATION

These Conditions of Bid govern the submission and adjudication of proposals and the acceptance by the Council of any proposal. They shall not form part of nor be interpreted or construed as forming part of any subsequent Contract as may result from the acceptance by the Council of any Bid received, nor shall these Conditions of Bid have any force or significance in any such subsequent Contract.

2.2. LANGUAGE

These Conditions of Bid shall be interpreted in the English language.

2.3. GOVERNING LAW

All Bids, as well as the adjudication thereof and the acceptance of any bid shall be subject to the law of the Republic of South Africa.

2.4. SINGULAR, PLURAL AND GENDER

In these Conditions of Bid, words importing the singular include the plural and words importing the masculine include the feminine and neuter and vice versa where the context requires.

2.5. AMENDMENTS TO THE BID DOCUMENTS

2.5.1. AMENDMENTS BY THE BIDDER

2.5.1.1. Bidders shall not make any unauthorised amendment or addition to any part of the text or content of the proposal

Documents. If any such unauthorised amendments, alterations or additions are made by the Bidder, these will be deemed to be of no force or significance in the Bid and will be ignored in the evaluation and adjudication of the Bid.

2.5.1.2. Any point of difficulty in the interpretation of the Bid Documents must be clarified with the Council as early as possible during the Bid Period. If a query by any Bidder is found to be of significance, the Council will inform all Bidders accordingly as soon as possible.

2.5.2. AMENDMENTS BY THE EMPLOYER

2.5.2.1. The Council shall be entitled, at any time prior to the Closing of Bids, to make any variation, amendment or addition to, or omission from the Bid Documents, including to the time and date set for the Closing of Bids, by the issuing of an Addendum (or Addenda).

2.5.2.2. Any Addendum so issued shall be deemed to form part of the Bid Documents and shall be communicated in writing to all parties who have acquired the Bid Documents from the Council.

Prospective Bidders shall comply in all respects with the content of any such Addendum and failure to do so will render any Bid subsequently submitted, as invalid.

2.5.2.3. No variation by the Council of the Bid Documents will be of any force or effect unless set out in an Addendum as described above, despite the fact that a variation of or amendment to the Bid Documents may have been implied in or may reasonably be inferred from any other document issued or statement made by the Council.

3. SIGNING OF BID

The Bid must be signed in the presence of the subscribing witnesses, by the person named in the form entitled "Authority of Signatory" in the section "Forms to be Completed by the Bidder" of the Bid Documents, as duly authorised by the Bidder to do so.

4. CONFIDENTIAL NATURE OF DOCUMENTS

The content of the Bid Documents is private and confidential and copyright in every aspect thereof remains vested in the Council. Recipients of the Bid Documents shall not be entitled to utilise the Bid Documents or any part of the content thereof for any purpose whatsoever, other than for the preparation and submission of their Bid and shall, whether a Bid is submitted or otherwise, treat the details of the documents as private and confidential.

5. COSTS INCURRED BY BIDDERS

The Council will neither be responsible for nor pay for any costs whatever, incurred by any Bidder or any recipient of the Bid Documents in preparing a Bid, nor in providing any such

further information pertaining to the Bid as may be required by the Council or in terms of these Conditions of Bid.

6. ACCEPTANCE OF BID

The Council is not bound to accept any Bid or the lowest bid sum offered and reserves the right to award in part or in whole.

7. PERIOD OF VALIDITY OF BIDS

- 7.1. The bids shall remain valid for a period of three (3) months or 90 days after the Closing date.
- 7.2. Prices must be firm during this period and not linked to any exchange rate whatsoever.

8. REPUDIATION OF BID OR INVALIDATION OF CONTRACT

- 8.1. If the Council is satisfied that the Bidder or any person, whether an employee, partner, director, member or shareholder of the Bidder, or a person acting on behalf of or with the knowledge of the Bidder:
 - 8.1.1. Has offered, promised or given a bribe or other gift or remuneration or reward to any person in connection with obtaining a contract; or has acted in a fraudulent or corrupt manner in obtaining a contract; or
 - 8.1.2. Has approached an officer or employee of the Council in order to influence the award of a contract in the Bidder's favour; or
 - 8.1.3. Has entered into an agreement or has made an arrangement, whether legally binding or not, with another person, firm or company to:
 - 8.1.3.1. Refrain from bidding for this Contract; or
 - 8.1.3.2. as to the amount of the Bid to be submitted by either party;
 - 8.1.3.3. Except only where such other person or firm is named in the Bid as a prospective member of an intended Joint Venture to be formed if the Bid is accepted by the Council; or
 - 8.1.4. Has disclosed to another person, firm or company other than the Council, the exact or approximate amount of its proposed Bid, except only when:
 - 8.1.4.1. the disclosure, in confidence, had been necessary in order to obtain insurance premium quotations required for the preparation of the Bid; or such other person, firm or company is named in the Bid as a prospective member of an intended Joint Venture to be formed if the Bid is accepted by the Council;
 - 8.1.5. The Council may, in addition to other legal remedies, repudiate the Bid or declare the Contract invalid if the Contract has been awarded.

9. BIDDER'S ADDRESS FOR THE DELIVERY OF NOTICES

Each Bidder shall, indicate a place in the Republic of South Africa and specify it in the "Bidders Particulars" form, where legal process and all notices pertaining to the Bid may be delivered to him. Such address shall not be a postal box, private bag or electronic address, but shall be

the address of a physical location within South Africa (e.g. street address, property/stand number or farm name etc.).

10. ADDITIONAL INFORMATION REQUIRED

- 10.1. The Council may request any Bidder to clarify any aspect of its Bid and also reserves the right to instruct a public accountant to report on the financial status of the Bidder, and the Bidder must render all reasonable assistance in such an investigation.
- 10.2. The additional information so obtained, as well as all written information submitted by the Bidder with and in support of its Bid, will be considered to form the basis on which the Bid has been prepared and submitted.

11. TAXES AND LEVIES

The bidder must submit with this bid an original and valid Tax Pin from the South African Revenue Services (SARS).

12. CLEARANCE FROM MUNICIPALITIES

The contractor must provide clearance from the municipality where they are based indicating that they are not in arrears with regard to their respective municipal services accounts.

Bidders that are based in areas that are non-rated and no municipal services are provided to them are required to provide a letter from the municipality confirming that the area is non- rated.

13. NO ACCEPTANCE OF BIDS FROM PERSONS IN THE SERVICE OF THE STATE

- 13.1. No bids will be considered from persons in the service of the state
 - 13.1.1. MSCM Regulations: “in the service of the state” means to be –
 - 13.1.1.1. a member of any municipal council;
 - 13.1.1.2. a member of any provincial legislature; or
 - 13.1.1.3. a member of the national Assembly or the national Council of provinces;
 - 13.1.1.4. a member of the board of directors of any municipal entity;
 - 13.1.1.5. an official of any municipality or municipal entity;
 - 13.1.1.6. 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);
 - 13.1.1.7. a member of the accounting authority of any national or provincial public entity; or
 - 13.1.1.8. an employee of Parliament or a provincial legislature.

14. SPECIAL CONDITIONS OF THE BID PROPOSAL

- 14.1. The transaction shall be subject to any stipulations in any Act, Ordinance or By-law pertaining thereto.
-

- 14.2. No proposals by any person that is not competent to enter into an agreement will be considered and if it is established that it is the case, the contract agreement in this regard will be considered null and void by Council.
 - 14.3. 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 on an attorney and client scale.
 - 14.4. Should any legal action be deemed necessary to determine any aspect arising out of these conditions or to enforce any rights in terms of these conditions, then and in that event the parties hereto agree categorically to the jurisdiction of the Magistrate's Court to hear such action and to pass judgment notwithstanding the fact that the cause of action is beyond the jurisdiction of the Court: Provided always that Council shall have the right in its sole discretion to take action in any competent higher court in any matter exceeding the ordinary jurisdiction of the Magistrate's Court.
 - 14.5. Council reserves the right to accept any cost proposal in a bid submitted or part thereof and will not be obliged to accept the lowest bid price submitted in a bid OR any cost proposal submitted.
 - 14.6. Council reserves the right to alter quantities based on the supplied rates.
 - 14.7. All Bids will be adjudicated in terms of the Phumelela Local Municipality's SCM Policy and in compliance with the criteria as set out in the Preferential Procurement Framework Act, Act No. 5 of 2000.
 - 14.8. The successful bidder(s) must accept to make good or reimburse the Council on all damages or repairs that arise from the actions in executing this bid award.
 - 14.9. The successful bidder(s) must accept to remove all equipment, restore the system(s) to the original state(s) at their own costs and and/or reimburse the Council in full in the event of failing to deliver as proposed in this bid.
 - 14.10. The successful bidder(s) will at all times report to and obey the instructions of the Council's representative in relation to this bid.
 - 14.11. Any variation to the execution in terms of this bid must be by mutual agreement by all parties concerned and served with official notices in writing.
-

RETURNABLE DOCUMENTS

Documents required for tender evaluation purpose

Please note that failure to lodge and adhere to the following requirements will lead to an immediate disqualification

- Company registration documents (CIPC)
 - Tax Compliance Status Certificate (with pin)
 - Vat certificate (where applicable)
 - Copy of Identity Documents of directors
 - (CSD) Central Supplier Database Registration report not older than 3 months
 - Company Municipal Rates not older than 3 months or valid lease agreement together with the owners municipal rates and taxes account
 - Joint Venture Agreement signed by both parties (If Bidder is a Joint Venture)
 - Company appointment letters and Reference Letters
 - Copy of BBBEE Certificate
 - Completed and signed MBD forms
-

COMPULSARY QUESTIONNAIRE:

Please note that you have to be registered with the Financial Services Board (FSB) and Financial Intermediaries Association of South Africa (FIASA) or any other reputable association recognized by FSB to be considered for this tender. A valid certified copy of your registration certificates and numbers should be attached to your tender.

If you comply with these two requirements the following questions must be answered by the tenderer. Where a yes is indicated substantiating valid evidence must be supplied. If the questions are not answered and applicable certified valid documents not attached where required, the tender will be disqualified.

COMPULSORY QUESTIONNAIRE	YES	NO
1. Are you a South African based Insurance Broking Organization? (If yes attach valid documentary proof)		
2. Will you be outsourcing more than 25% of your services to other brokers or parties?(If yes provide BBBEE status level of the broker or partners to whom part of the contract will be outsourced)		
3. Is your service team to be utilized on this tender FAIS compliant and registered with the Financial Services Board? (If yes attach a valid certified confirmation from the Financial Services Board reflecting the individuals registered)		
4. Do you have a Loss Control Resource? (If yes provide details and particulars of representatives)		
5. Do you have a Risk Finance Resource? (If yes provide details and particulars of representatives)		
6. Name some local authorities where you are currently applying risk management (risk finance and risk control)		
7. Can you provide formal training services in risk management, risk control and risk financing?(If yes, provide full details where you have done so and contact persons)		
8. Do you have Professional Indemnity cover to the value of R15m? (If yes must provide a valid certified copy of your Professional Indemnity cover)		
9. Do you have Fidelity Guarantee cover to the value of R15 million? (If yes must provide a valid certified copy of your Fidelity Guarantee cover)		
10. Do you have any agency with specific insurers? (If yes must attach valid certified correspondence from each insurers)		
11. Are you ISO 9000 compliant? (If yes must attach a valid certified compliance certificate)		

12. Do you have a dedicated service team whom will be allocated to Phumelela Local Municipality insurance portfolio? (If yes, an organogram of the service team and their relevant curriculum vitae MUST BE ATTACHED. Please note that the curriculum vitae will only be considered if the employee has at least 3 (three) years short term insurance experience).		
13. Is your Black Economic Empowerment status in line with the minimum requirement of the Financial Services Charter and has your status been verified and rated by any independent and reputable rating agency? (If yes provide full details of rating and by whom)		
14. Have you been appointed in the past 3 (three) years as a short term insurance broker on an insurance portfolio in excess of R1 billion assets? (If yes must provide the names of these clients, the contact person and telephone number).		
15. Have you been appointed as a short term insurance broker on a municipal portfolio in the past 3 (three) years? (If yes must indicate the name of the municipality, the contact person and telephone number).		
16. Have you dealt with individual claims in excess of R250, 000 in the past 3 (three) years? (If yes must list these claims by client, contact person, telephone number, claim description, claim amount and settlement amount).		
17. Do you have an electronic insurance claims administration system that will be made available to the municipality? (If yes must indicate the name of the system and claims handling capacity of the system).		
18. Has this electronic insurance claims handling system been implemented with your other clients? (If yes must provide the name of the clients and their telephone numbers).		
19. Do you have an electronic injury on duty claims administration system that will be made available to the municipality?(If yes must indicate the name of the system and claims handling capacity of the system)		
20. Has this electronic injury on duty claims handling system been implemented with your other clients? (If yes must provide the names of the clients and their telephone numbers).		
21. Will the insurance provider give a special tariff for municipal officials of Phumelela for insuring their vehicles used for personal and business purposes		



TENDER SPECIFICATIONS

Definitions

Unless otherwise indicated the following words shall bear the following meanings:

1.1 The “Municipality” shall mean the Phumelela Local Municipality.

1.2 The “tender or bid” shall mean a tender or bid for the supply of short-term insurance (risk financing) broking services including related services such as claims management for Phumelela Local Municipality at agreed fees, terms and conditions. An indication of the basis for year 2 and year 3 should also be provided i.e. full commission or % (percentage) of commission or fixed fees to render all the required services.

1.3 The “tenderer or bidder” shall mean any duly accredited person or persons or any body, incorporated or otherwise, entity submitting a tender to arrange short-term insurance (risk financing) broking services to Phumelela Local Municipality.

1.4 The “contract period” shall commence from date of appointment on the condition that Phumelela Local Municipality would have the option to require a reassessment of insurance and risk financing requirements on a year-to-year basis i.e. It however remains the responsibility of the appointed broker to optimally manage the insurance (risk financing) portfolio to the benefit of Phumelela Local Municipality at all times.

1.5 “Risk financing products and services” shall include insurance, re-insurance, insurance broking, insurance claims management and risk financing intermediary services, recovery services as well as any associated product and services.

2. Failure to perform

2.1 If -

(a) The tenderer should fail to arrange the insurance or risk financing cover timeously with the insurer/consortium/supporting underwriters as stated in the proposal/tender/contract; or

(b) Phumelela Local Municipality should suffer any damage as a result of the tenderer’s failure to perform as instructed or required and expected, it is agreed that the tenderer will pay to Phumelela Local Municipality the following amounts, in each case to be determined by the Municipal Manager, as liquidated damages and not as a penalty;

i) in the event of (a) an amount equal to any additional costs over and above the tender price incurred by Phumelela Local Municipality to arrange any short-term insurance or risk financing in terms of the contract in a manner deemed fit by Phumelela Local Municipality, together with all related costs and expenses involved; or

ii) in the event of (b), an amount not exceeding the actual damage and costs sustained or incurred by Phumelela Local Municipality;

iii) including any possible claim instituted against the tender/brokers professional indemnity insurance.

2.2 The Municipal Manager will also determine the manner in which and the time when such payment of additional costs and or damages are to be paid to Phumelela Local Municipality, and the decision of the Municipal Manager will be final and binding in each case and on all parties.

3. Fees

3.1 Any fees by any name or intention, stated will be inclusive of VAT as well as include all other costs such as for claims handling.

3.2 Fees quoted shall be in respect of twelve (12) months period as from date of appointment

3.3 Any proposed increases of fees for the period following the first (12) months should be clearly indicated as a percentage (%) or indicate full commission or proposed fixed fees.

4. Payment of premiums

The premium payment for the period from date of appointment will be made in terms of the Short-term Insurance Act and on receipt of all draft or original policy documents or proof of placement of cover and valid tax invoices as well as an Executive Summary of the cover stating e.g. type of cover, insured events, insured limit, excess or deductible, material exclusions and conditions.

In the event of an increase or decrease in assets and insurable interests, to be made through declarations, the premium will be adjusted or refunded accordingly.

It remains the responsibility of the tender/broker to ensure that the required information is requested from time to time from Phumelela Local Municipality.

Phumelela Local Municipality may deduct any amount owing to Phumelela Local Municipality by the short term insurance broker under any of the provisions of this tender/contract from any amount owing in respect of this insurance and/or risk financing portfolio. Cover must remain in full force and effect during the period that this requirement applies.

5. Information to be provided by tenderer

No tender will be considered, unless accompanied by sufficient information so as to indicate that the fee proposed will include the total cost of arranging and management of the insurance and risk financing portfolios including the claims management for the 1st year of appointment

6. Alternatives

The tenderer may submit an alternative proposal, which, in his opinion, are to Phumelela Local Municipality's advantage economically and technically.

7. Variation

In the event that tenderers are offering any insurance or risk financing services and or products differing or varying from the requirements of this specification, all such variations shall be clearly indicated and described in the tender response.

TERMS OF REFERENCE BASIS FOR TENDERING

BASIS FOR TENDERING

The tender calls for technical and performance specifications of a Short Term Insurance Broker with effect from date of appointment. The submitted tenders will be adjudicated in accordance with the technical and performance specifications as outlined in the tender. Evaluation of tenders will follow the requirement of the Preferential Procurement Policy Framework Act (Act 5 of 2000) and Regulation 5 (2) of No 32 Preferential Procurement Regulations, 2017.

It will also be required from the selected Short Term Insurance Broker to broke the Insurance Portfolio of the Phumelela Local Municipality in the local and/or international insurance market in accordance with specific criteria. The emphasis will be on technical proposals made to the Phumelela Local Municipality on the most cost-effective placement of the insurance portfolio in the insurance market, taking into serious consideration the mitigation of business risks and financial risks exposures.

It will require from the selected Short Term Insurance Brokers to obtain quotations from the insurance market valid for a minimum period of at least 90 (ninety) days in order for the municipality to accommodate presentations and recommendations from the selected Short Term Insurance Brokers before final approval of premium and appointment of the Short Term Insurance Brokers for a period of 3 (three) years. Without derogating from the provisions of Section 33 (1) of Act No 56 of 2003, the Municipality reserves the right upon the expiry of the three-year contract to further extend the contract for two years with the successful bidder.

Cognisance should be taken that the appointed Short Term Insurance Broker will not be allowed to increase their insurance premium in year 2 (two) and 3 (three) with more than

the CPIx, unless substantiating proof from the quotations received from the insurers reflected a hardening insurance market or which is based on an adverse/increase on claims incidents/values. In the event of organic growth of the portfolio including but not limited to inflationary increase of the sums insured and inclusion of additional cover and services the afore going rule limiting the premium growth to CPIx shall not apply. Quotations received by Short Term Insurance Broker from the insurers must annually with renewal be made available to the Phumelela Local Municipality for scrutiny and approval by the Chief Financial Officer.

MANDATE

1. Tenderers may approach all Insurers complying with the relevant statutory solvency and other requirements.
2. Tenderer's proposals should be accompanied by a detailed summary of the salient features of your recommended insurance structure.
3. Support for the tenderer's proposals should be evidenced by a signed participation confirmation letter from Insurers/Reinsurers who will support your recommended structure at the terms, conditions and exceptions proposed by yourselves.
4. All premiums are to be rounded off to the next full rand. Where extensions are granted free of charge, please state "free" in the premium column. Where a line of cover or an extension is not tendered for, please state "no tender" in the premium column. All premiums quoted are to INCLUDE VAT. Should a deposit premium apply, it must be shown and a full explanation must be given as to how the deposit premium will operate. Nevertheless only the 100% or maximum premiums must be shown in the summary page of insurance cost. If your policy is subject to declarations, please advise how it would affect the premium.
5. Tenderer's proposals should be accompanied by a detailed premium calculation for each class of insurance submitted.
6. The tender must disclose the insurer or consortium of insurers on each policy type as well as the type of policy wording as indicated in the tender documents.
7. Failure to comply with the above requirements may render the Tender invalid at the option of the Council.

ADDITIONAL CONDITIONS

1. Particulars of property, sums insured and limits of indemnity are based on the existing sums insured / limits. However, the Council reserves the right to adjust details, if necessary, at the final placement of the insurance, as well as during the period of the contract.
 2. The minimum requirement in respect of policy conditions, limitations and exceptions are equal to a Multimark III policy wording. Policy wordings that are tailor made for local authorities with wider cover would be an advantage.
 3. If any limitations and/or uncommon conditions and exclusions are to be imposed, this must be stated very clearly in respect of each class of insurance of the policies.
-

4. Deductibles are to be shown clearly, otherwise the Council will assume that no deductible will apply and this may not be rectified afterwards.

GENERAL

1. It is emphasized that a contract will not necessarily result from the responses received to this request for proposal. Phumelela Local Municipality reserves the right to enter into negotiations with any one or more of the respondents, should it be decided to proceed with the contract.
2. Phumelela Local Municipality reserves the right not to evaluate and/or consider any proposals that does not comply strictly with the requirements as set out in this request.
3. Phumelela Local Municipality reserves the right to make a decision /selection based solely on the information received in the proposals to this request.
4. In order to be considered for this tender you have to be registered with the Financial Services Board (FSB) and Financial Intermediaries Association of South Africa (FIA) or any other reputable association recognized by the FSB.
5. Furthermore to point 4 you will have to achieve a technical acceptability threshold of 70 out of 100 points in terms of the services required as per the DETAILED TENDER SPECIFICATION.
6. Scoring as indicated in (5) above will be calculated with the completion of the Compulsory Questionnaire. The number of questions responded to in the affirmative with the necessary proof provided, will be expressed as a % of the total number of questions.

SERVICES TO BE RENDERED

The services to be rendered as a Short Term Insurance Broker over the three year period should include general services related to the placement, maintenance and administration of the insurance portfolio. A Service Plan should be drawn annually with inception of a new insurance period detailing the actions to be taken in accordance with the Annual Placement Programme as well as an Annual Maintenance Programme for claims administration. The Portfolio Service and Maintenance Plan should reflect at least the following general insurance actions:

- Internal and external discussions to set renewal and maintenance strategy;
 - Internal Strategy meetings;
 - Review existing cover;
 - Established uninsured risks and internal self insurance capacity;
 - Review cover, limits and sums insured;
 - Review uninsured risks and exposure;
 - Re-broking and market exercise to obtain renewal terms;
 - Alignment of Insurance and Risk Management Philosophy;
 - Pre-renewal meeting to discuss excess structures and alternatives of renewal;
 - Renewal follow-up on alternative quotations;
-

- Presentation of renewal terms and recommended options;
- Confirmation of placement and 100% cover;
- Confirmation of credit rating of insurance and re-insurance markets;
- Premium allocations on recommended aggregates and service fees;
- Compilation of detailed insurance manual as well as full summary on cover, limits, conditions and exclusions;
- Check and provide issued policy as well as legal confirmation of statutory compliance
- Compilation of claims procedural manual
- Ad hoc adjustments and endorsements on sums insured and declarations to insurers/reinsurers; ☐ Day-to-day correspondence and queries;
- Monitor premium payments and refunds in accordance with accounts and statement;
- Ad hoc training where required in terms of policy and procedural manual.

SERVICES AT ADDITIONAL COSTS

It is expected of the broker to have capacity to provide the following services at an appropriate time to be determined by the Council and a fee to be agreed with Council.

The insurance broker shall provide details of such services that he can deliver in this tender.

- Service Plan on Risk Financing and Engineering;
- Provision of underwriting surveys and EML/MPL on five key strategic risks including business interruption reports;
- Update of risk control, reports, surveys and EML/MPL;
- Claims administration and maintenance as set out in detailed specification inclusive of motor, non-motor, COID and legal liability claims;
- Six monthly claims audit and recommendations;
- Post loss surveys;

DETAILED TENDER SPECIFICATIONS CLAIMS ADMINISTRATION

CLAIMS ADMINISTRATION

1. Administration of claims reported to the Insurance Broker;

- The Insurance Broker will acknowledge receipt of claims forms and confirm all claims in writing to the client in 7 (seven) days after receipt of the notification of the incident.
 - If the claim is accepted by the Insurer an Agreement of Loss will be generated and forwarded to the Insurance Section of the client within 7 (seven) days after receipt of all the applicable documentation and claim has been accepted by the Insurer.
 - In cases where no Agreement of Loss is applicable, final invoice will be submitted by the client in reasonable time.
-

- The Insurance Broker will assist the Insurance Section with the administration of claims in order to finalize all outstanding claims i.e. obtaining of reports, invoices, quotations etc.
- The Insurance Broker will provide statistics on all claims/ declarations made per month not later than the 5th working day of the following month to the Insurance Section.

2. Scheduling and coordinating of claims meetings.

- The Insurance Broker will schedule and coordinate a quarterly claims meeting and meetings when required (ad-hoc) by the Insurance Section of the Cape Agulhas Municipality.
- The purpose of the meeting will be to discuss all claims as per the applicable Insurance Policies reported by the Insurance Section to the Insurance Broker and to monitor the progress of all insurance claims reported to and authorized by the Insurance Broker.

3. Electronic claims administration system to administrate occupational injuries and disease claims.

It is expected of the broker to have capacity to provide the following services at an appropriate time to be determined by the Council on a fee to be agreed with Council:

- Administration of all claims arising from occupational activities of the employees of the Council pursuant the Compensation for Occupational Injuries and Diseases Act no 130 of 1993 and the Occupational Health and Safety Act.
- Formulation and implementation of Risk Management Strategy in line with the provisions of the Municipal Finance Management Act.
- Management of Occupational Injuries and Disease Act as well as Occupational Health and Safety Act risks related to the implementation of construction contracts by third parties on behalf of the Council.

4. Applications only from companies who can attest to and provide the following;

- South African based Insurance Broking organization
 - Provision of latest financial statements include
 - i) Income Statement
 - ii) Balance Sheet
 - Resources – details of full time employees being account directors, technicians, broking and other staff that may be utilized
-

PHUMELELA LOCAL MUNICIPALITY

- 1) UNDERWRITING INFO PERIOD 2025/2026**
- 2) 4 YEARS CLAIMS SUMMARY**

Available on request
