Abaqulusi Local Municipality

Returnable Bid Document

TENDER No: 8/2/1/559

Tender Description: Land Sales within Abaqulusi Municipality

ABAQULUSI LOCAL MUNICIPALITY

INVITATION TO BID
TENDER NUMBER:
8/2/1/559
LAND SALES WITHIN ABAQULUSI LOCAL MUNICIPALITY

Notice is hereby given in terms of Section 21 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), Section 14 (2) (a) (b) of the Local Government: Municipal Financial Management Act, 2003 (Act 56 of 2003), read with Sections 5 and 7 of the Municipal Assets Transfer Regulations of 2008, and Abaqulusi Municipality's Supply Chain Policy, Section 37 (1) – (9), that the following vacant sites are offered for sale subject to a bidding process:

Residential Sites

Property description (ERF)	Property extent (m^2)	Suburb / Area	Zoning	Selling Price (Excluding 15 % VAT & 15% Admin fee)
2623 Vryheid	345	Lakeside	Residential	R97 000.00
2342 Vryheid	9223	Edel Park	Residential: Medium density	R705 000.00
1744 Vryheid	9911	Lakeside	Residential: Medium density	R357 000.00
2329 Vryheid	6651	Vryheid	Residential: Medium density	R604 000.00
1411 Bhekuzulu	348	Bhekuzulu	Residential	R97 000.00
4839 Bhekuzulu	1627	Bhekuzulu	Residential	R175 000.00

Business Sites

2438 Vryheid	46752	Vryheid, adjacent to Traffic Department / RTC	Business: Zoned for Truck stop establishment	R2 000 000.00
Portion of Remainder of ERF 10000 Vryheid	52000	Lakeside, along R34	Business	R1 450 000.00

Industrial Sites

Property description (ERF)	Property extent (m^2)	Suburb / Area	Zoning	Selling Price (Excluding 15 % VAT & 15% Admin fee)
2493 Vryheid	2647	Industrial Area	Industrial	R391000
2494 Vryheid	2303	Industrial Area	Industrial	R366000
2488 Vryheid	2417	Industrial Area	Industrial 1	R375 000
2489 Vryheid	2176	Industrial Area	Industrial 1	R356 000
1347 Vryheid	38408	Industrial Area	Industrial 2	R1 382 000
1348 Vryheid	37947	Industrial Area	Industrial 2	R1 374 000

1350 Vryheid	26945	Industrial Area	Industrial 2	R1 169 000
1353 Vryheid	27705	Industrial Area	Industrial 2	R1 185 000

The bid document may be downloaded free of charge from: www.etenders.gov.za. as from 25 July 2025. Bids may only be submitted on the bid documentation issued by Abaqulusi Municipality. Late submitted, unmarked, faxed, falsified or e-mailed offers will not be considered and will be disqualified. Bids must be placed in envelopes, clearly marked **"Land Sales within Abaqulusi Local Municipality"** and deposited in the tender box at Corner of Mark and High Street, Vryheid 3100, not later than 12h00 on Day 22 August 2025.

The Abaqulusi Local Municipality does not bind itself to accepting any bid, either wholly or in part or give any reason for such action.

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S.P DLAMINI
MUNICIPAL MANAGER
ABAQULUSI LOCAL MUNICIPALITY

Notice Number: 28 /2025

Abaqulusi Local Municipality

Formal Bid Offer

Name of Bidder	
Address of Bidder	
I.D Number of Bidder	
Contact Number	
E-mail Address	
Bid for (Property Description)	**ERF**
Bid Offer (South African Rands Incl. VAT)	**R**

______________________________ ____________________

Signature of Bidder **Date**

Abaqulusi Local Municipality

Terms of Reference:

Residential and Industrial Land Sales within Abaqulusi Municipality

The Abaqulusi Local Municipality hereby invites bids from all stakeholders interested in purchasing Residential and Industrial Sites within the Abaqulusi Municipality, located in the suburbs of Edel Park and Vryheid Industrial Area. The intention of the municipality is to award a site to the successful bidder who has lodged the highest price offer above the set reserved price on that specific site, and has complied with all requirements set out in this Terms of Reference and Bid Document.

The Abaqulusi Local Municipality's Council, resolved to dispose of all serviced sites within its jurisdiction to ensure that the municipality is answering the call to its citizens who have over the years made numerous attempts to purchase municipal owned land, primarily for residential, commercial and industrial purposes.

Based on this, the municipality is now moving forward in a phased approach in order to deal with the process of land sales in an effective manner and one that can be fast-tracked for both the seller and purchaser.

In this Terms of Reference document, the focus of land sales will deal with residential, industrial and commercial sites only, within the suburbs of Edel Park and Vryheid Industrial area. This was done based on the fact that sites within the Vryheid area are higher value and applications to purchase municipal owned land are predominantly within the Vryheid area as well.

Abaqulusi Local Municipality is no different to other municipalities in the province or country as it also faces huge amounts of pressure in ensuring that access to land is readily available to its citizens for the primary purpose of building a house. Over the years, the Abaqulusi Municipality has received large volumes of applications from members of the public to purchase municipal owned land for residential purposes (building a house). Additional pressure has also been placed on the municipality as a result of the increased illegal land invasions and occupations that are currently being experienced around the urban areas. The municipality has now decided to dispose of its residential owned sites in an attempt to address the above-mentioned issues.

Industrial land sales within the Abaqulusi Municipality is also regarded as a high priority as this possesses the potential to alleviate the unemployment rate within the area as well as promote economic development and growth within the municipal jurisdiction. The lack of available space closer to the Vryheid CBD has also increased the need to make commercial/industrial land available to existing businesses than plan to expand their services or new businesses that want to establish their practices within the Abaqulusi Municipality.

For this phase of Land Sales, the Abaqulusi Municipality has identified a total of 17 sites that will be available for disposal. These sites are located in Vryheid (Edel Park, Bhekuzulu, Lakeside, Vryheid town and Vryheid Industrial Area)

4.1 Property Analysis

As indicated above, a total of 6 Residential Sites, 3 Business Sites and 8 Industrial Sites have been identified by the Abaqulusi Municipality for disposal during this phase. These sites have been divided into 3 tables below and are further analysed to provide the prospective purchaser with as much information as possible. The details of the properties are as follows:

Residential Sites

Residential Sites

Property description (ERF)	Property extent (m^2)	Suburb / Area	Zoning	Selling Price (Excluding 15 % VAT & 15% Admin fee)
2623 Vryheid	345	Lakeside	Residential	R97 000.00
2342 Vryheid	9223	Edel Park	Residential: Medium density	R705 000.00
1744 Vryheid	9911	Lakeside	Residential: Medium density	R357 000.00
2329 Vryheid	6651	Vryheid	Residential: Medium density	R604 000.00
1411 Bhekuzulu	348	Bhekuzulu	Residential	R97 000.00
4839 Bhekuzulu	1627	Bhekuzulu	Residential	R175 000.00

Business Sites

2438 Vryheid	46752	Vryheid, adjacent to Traffic Department / RTC	Business: Zoned for Truck stop establishment	R2 000 000.00
ERF 10000 (R0) Vryheid	52000	Lakeside	Business	R1 450 000.00

Industrial Sites

Property description (ERF)	Property extent (m^2)	Suburb / Area	Zoning	Selling Price (Excluding 15 % VAT & 15% Admin fee)
2493 Vryheid	2647	Industrial Area	Industrial	R391000
2494 Vryheid	2303	Industrial Area	Industrial	R366000
2488 Vryheid	2417	Industrial Area	Industrial 1	R375 000
2489 Vryheid	2176	Industrial Area	Industrial 1	R356 000
1347 Vryheid	38408	Industrial Area	Industrial 2	R1 382 000
1348 Vryheid	37947	Industrial Area	Industrial 2	R1 374 000
1350 Vryheid	26945	Industrial Area	Industrial 2	R1 169 000
1353 Vryheid	27705	Industrial Area	Industrial 2	R1 185 000

4.2 Locality Maps

Sites are highlighted in Yellow. Zooming in on the Locality Map will provide a clear indication of the property description.

Residential Sites

Business Sites

Industrial Sites

4.3 Permitted Zoning Rights

4.3.1 Residential 1

STATEMENT OF INTENT: This zone is intended to promote the development of primarily detached dwelling units, but does permit medium density housing (minimum site size of 2400m^2). A limited number of compatible ancillary uses which have a non-disruptive impact on neighbourhood amenity may be allowed.

PRIMARY USES	CONSENT USES	PROHIBITED USES	
14 Dwelling House 28 Nature and Resource Conservation	7 Boarding House 13 Day Care Centre 17 Garden Nursery 19 Home Business[4] 20 Hospitality Facility (restricted to Bed and Breakfast Establishment[4] and Guest House) 24 Medium Density Housing (minimum site size of 2400m^2) 50 Tuck Shop	1 Abattoir 2 Agricultural Industry 3 Agricultural Use 4 Animal Care Centre 5 ATM 6 Betting Depot 8 Brick Making 9 Builders Yard 10 Chalet Development 11 Commercial Workshop 12 Crematorium 15 Extractive Industrial Use 16 Funeral Parlour 18 General Industrial Building 21 Institution 22 Launderette 23 Light Industrial Building25 Mortuary 26 Motor Vehicle Showroom27 Motor Workshop 29 Office Building 30 Parking Garage	31 Petrol Filling Station32 Place of Instruction 33 Place of Public Amusement 34 Place of Public Assembly 35 Private Recreation Area 36 Public Office 37 Recreational Building 38 Recycling Centre 39 Residential Building 40 Restaurant 41 Restricted Building 42 Retirement Centre 43 Scrap-Yard 44 Service Industrial Building45 Service Workshop 46 Shop 47 Special Industrial Building48 Tavern 49 Transportation Terminal 51 Warehouse Any other use not Stipulate dunder primary use or consent

DEVELOPMENT PARAMETERS

BUILDING LINES		MDH DENSITY	MINIMUM ERF AREA	HEIGHT IN STOREYS	COVERAGE	FLOOR AREA RATIO
STREET FRONT SPACE	SIDE AND REAR SPACE					
7m	2m	1 unit per 900m^2	900m^2	2	35%	0.40

4.3.2 Industrial 1

STATEMENT OF INTENT:

This zone is intended to permit manufacturing that is generally compatible with other land uses permitted in adjacent, more sensitive land use zones such as residential, business and open space. Manufacturing activities shall not involve significant vibrations, noise odour or high volume of automobile and truck traffic. Warehousing of a non-hazardous nature is permitted. Outdoor storage as an ancillary use may be permitted in this zone subject to a consent procedure condition of which shall address the extent of storage area permitted on the Erf, setbacks, screening and the type of materials to be stored outdoors. Office uses are permitted with conditions i.e. via a consent procedure.

PRIMARY USES	CONSENT USES	PROHIBITED USES	
5 ATM 8 Brick Making 11 Commercial Workshop 14 Dwelling House (Restricted to accommodation for manager, foreman or caretaker) 23 Light Industrial Building 26 Motor Vehicle Showroom 44 Service Industrial Building 45 Service Workshop 49 Transportation Terminal 51 Warehouse	6 Betting Depot 9 Builders Yard 16 Funeral Parlour 17 Garden Nursery 22 Launderette 27 Motor Workshop 29 Office Building 31 Petrol Filling Station 33 Place of Public Amusement 34 Place of Public Assembly 35 Private Recreation Area 37 Recreational Building 38 Recycling Centre 40 Restaurant 46 Shop as per Clause 7.2 48 Tavern	1 Abattoir 2 Agricultural Industry 3 Agricultural Use 4 Animal Care Centre 7 Boarding House 10 Chalet Development 12 Crematorium 13 Day Care Centre 15 Extractive Industrial Use 18 General Industrial Building 19 Home Business 20 Hospitality Facility 21 Institution 24 Medium Density Housing 25 Mortuary	28 Nature and Resource Conservation 30 Parking Garage 32 Place of Instruction 36 Public Office 39 Residential Building 41 Restricted Building 42 Retirement Centre 43 Scrap-Yard 46 Shop (Other than indicated under Consent) 47 Special Industrial Building 50 Tuck Shop Any other use not stipulated under primary use or consent use

DEVELOPMENT PARAMETERS

BUILDING LINES		DWELLING UNITS PER HECTARE	MINIMUM ERF AREA	HEIGHT IN STOREYS	COVERAGE	FLOOR AREA RATIO
STREET FRONT SPACE	SIDE AND REAR SPACE					
7.5m	2m	N/A	$900m^2$	2	50%	0.50

4.3.3 Industrial 2

STATEMENT OF INTENT:			
This zone is intended to permit manufacturing uses which are generally compatible with other manufacturing uses. As a cumulative industrial zone, it would permit a combination of light manufacturing and more intensive manufacturing uses that would normally be considered incompatible with sensitive land uses. Warehousing of materials considered non-noxious or non-hazardous are permitted. Outdoor storage as an ancillary use may be permitted in this zone subject to a consent procedure condition of which shall address the extent of storage area permitted on the Erf, setbacks, screening and the type of materials to be stored outdoors. Noxious industries to be permitted by Consent subject to environmental impacts being addressed.			
PRIMARY USES	**CONSENT USES**	**PROHIBITED USES**	
5 ATM 9 Builders Yard 9 Brick Making 11 Commercial Workshop 14 Dwelling House (Restricted to accommodation for manager, foreman or caretaker) 18 General Industrial Building23 Light Industrial Building 26 Motor Vehicle Showroom 27 Motor Workshop 38 Recycling Centre 43 Scrap-Yard 44 Service Industrial Building45 Service Workshop 49 Transportation Terminal 51 Warehouse	1 Abattoir 2 Agricultural Industry 6 Betting Depot 12 Crematorium 16 Funeral Parlour 17 Garden Nursery 22 Launderette 25 Mortuary 31 Petrol Filling Station35 Private Recreation Area 37 Recreational Building 40 Restaurant 46 Shop (ancillary to primary use, See Clause 7.2) 47 Special Industrial Building 48 Tavern	2 Agricultural Use 4 Animal Care Centre 7 Boarding House 10 Chalet Development 13 Day Care Centre 15 Extractive Industrial Use 19 Home Business 20 Hospitality Facility 21 Institution 24 Medium Density Housing 28 Nature and Resource Conservation	29 Office Building 30 Parking Garage 32 Place of Instruction33 Place of Public Amusement 34 Place of Public Assembly 36 Public Office 39 Residential Building 41 Restricted Building 42 Retirement Centre46 Shop (Other than indicated under Consent) 50 Tuck Shop Any other use not stipulated under primary use or consent use

DEVELOPMENT PARAMETERS

BUILDING LINES		DWELLING UNITS PER HECTARE	MINIMUM ERF AREA	HEIGHT IN STOREYS	COVERAGE	FLOOR AREA RATIO
STREET FRONT SPACE	SIDE AND REAR SPACE					
5m	2m	N/A	$1800m^2$	4	65%	1.00

1. **All properties will be sold to the highest bidder.**
2. **No bids will be accepted below the reserved price of a property.**
3. Bids from all type of stakeholders will be accepted, ie. Individuals, businesses, NGO's, NPO's, etc.
4. The successful bidder will have to enter into a sale agreement/deed of sale with the Abaqulusi Local Municipality for the purchase of the property of which he/she lodged a bid for within 14 days after receiving notice that he/she has been awarded the bid.
5. The successful bidder will have to pay 10% of the bid price that he/she has lodged within 7 days after signing the sale agreement.
6. The successful bidder will have to pay the outstanding 90% of the bid price within 21 days after making the 10% payment as indicated in point 5 above.
7. All conveyancing costs will be the responsibility of the successful bidder.
8. The property is to be utilised as per the zoning rights only.
9. The successful bidder will ***not be allowed*** to conduct the following:
    a) *Rezoning of the Property (within first 10 years of ownership)*
    b) *Subdivision of the Property (within first 10 years of ownership)*
    c) *Consolidating the Property (within first 10 years of ownership)*
10. Within 3 months upon finalisation of transfer and registration of the property, the successful bidder must submit building plans to the Abaqulusi Local Municipality in order to begin the process of developing the property.
11. Within 6 months after receiving approval of the building plans, the successful bidder must ensure that construction on site begins.
12. Within 18 months after approval of the building plans, the successful bidder must ensure that all construction on site is complete.
13. Construction on site must be fully compliant to the permitted zoning of the property and to the satisfaction of the Building Inspectorate Unit of the municipality.
14. Failure to complete construction as per the prescribed time frames stipulated above will result in administration penalties imposed on the site owner as per the Abaqulusi Local Municipality's Spatial Planning and Land Use Management Act, Act No. 13 of 2016 (SPLUMA) By-laws.

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Name of Bidder

____________________________________ ______________________

Signed and Accepted Conditions of Sale **Date**

All proposed bids for a specific property must be accompanied by the following compulsory returnable document:

1. Signed and Completed Formal Bid Offer.
2. Signed and Completed Acceptance of the Conditions of Sale.
3. Certified Copy of ID.
4. Certified Copy of Proof of Residence.
5. Signed and Completed Certificate of Independent Bid Determination (MBD9).

- All Bid documents must be placed into the Tender Box outside the Municipality, located at the corner of Mark and High Street, Vryheid, KZN, 3100.
- All Bid documents must be submitted timeously.
- No late submissions will be accepted.
- All Bid documents must be completed in full and all supporting documents must be attached as required.
- No email or faxed submissions will be accepted.
- All costs related to the submission of this tender shall be carried out by the bidder.
- The AbaQulusi municipality reserves the right not to award a Bid as per the bids received.
- If successful upon a bid to purchase a property, the purchaser will have to enter into a sale agreement with the seller, the Abaqulusi Local Municipality.
- All returnable documents must be signed where applicable.
- All conditions of sale must be strictly adhered to, read and understood by the bidder.
- The AbaQulusi Local Municipality will not be held responsible for any submission delays whatsoever.
- All Bids are valid for a period of 90 days after submission closing date.
- There will be **no briefing session**.

All bids received must comply with the following criteria:

1. All properties will be sold to the highest bid offer.
2. All bid documents must be signed and completed in full where applicable.
3. All bidders must submit a certified copy of their ID.
4. All bidders must submit a certified copy of their Proof of Residence.
5. All bidders must submit a Signed and Completed Certificate of Independent Bid Determination (MBD9)

A bid document will be rejected or disqualified based on the following reasons:

1. Late submission of a bid will not be accepted.
2. A bid document received that is not signed and completed in full.
3. Non-Submission of Certified copy of ID.
4. Non-Submission of Certified copy of Proof of Address.
5. A Bid below the Reserved Price of a property
6. A proposed Bidder whose information is found out to be fraudulent, factually untrue or inaccurate.

- The AbaQulusi municipality is entitled to amend any Bid conditions, validity period, specifications, or extend the closing date of Bids before the closing date. All bidders, to whom the bid documents have been issued, will be advised in writing of such amendments in good time.
- The AbaQulusi municipality reserves the right not to award a Bid as per the bids received.

Enquiries may be directed to the following persons:

Technical Queries Mr.
V Sithole
Telephone No. : 034 982 2133 x 3304
Working Hours: Monday – Thursday 7:30 – 16:30 :
Friday – 7:30 – 13:30
Email: vsithole@abaqulusi.gov.za

Supply Chain Queries Ms
P Nxumalo
Telephone No. : 034 982 2133 x 2284
Working Hours: Monday – Thursday 7:30 – 16:30 :
Friday – 7:30 – 13:30
Email: pnxumalo@abaqulusi.gov.za

MBD4

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state[1].

2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make offers in terms of this invitation to bid. In view of possible allegations of favoritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorized representative declare their position in relation to the evaluating/ adjudicating authority.

3. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

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

3.2 Identity Number:………………………………………….

3.3 Position occupied in the Company (director, trustee, hareholder[2]):……………………………..

3.4 Company Registration Number:………………………………..

3.5 Tax Reference Number:………………………………………..

3.6 Vat Registration Number:……………………………………….

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

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

3.8.1 If yes, furnish particulars…………………………………………………

……………………………………………………………………………………

[1] MSCM Regulations: “in the service of the state” means to be –

(a) a member of –

(i) any municipal council;

(ii) any provincial legislature; or

(iii) the national Assembly or the national council of provinces;

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

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

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

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

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

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

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

3.9.1If yes, furnish particulars…………………………………………………

……………………………………………………………………………………….

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

3.10.1 If yes, furnish particulars.

………………………………………………………………………………………

………………………………………………………………………………………

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

3.11.1 If yes, furnish particulars

……………………………………………………………………………………………

……………………………………………………………………………………………

3.12 Are any of the company's directors, trustees, managers, principle shareholders or stakeholders in the service of the state?

YES / NO

3.12.1 If yes, furnish particulars.

………………………………………………………………………………………

………………………………………………………………………………………

3.13 Are any spouse, child or parent of the company's directors trustees, managers, principle shareholders or stakeholders in service of the state?

YES / NO

3.13.1 If yes, furnish particulars

…………………………………………………………………………………….

…………………………………………………………………………………….

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

YES / NO

3.14.1 If yes, furnish particulars

…………………………………………………………………………………..

…………………………………………………………………………………..,

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

Full Name	Identity Number	State Employee Number

………………………………………… …………………………

Signature **Date**

………………………………………… …………………………

Capacity **Name of Bidder**

MBD 6.1

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

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

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

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:

80/20 **or** **90/10**

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

Ps = Points scored for price of tender under

consideration Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

GENERATING PROCUREMENT

3.2.1. **POINTS AWARDED FOR PRICE**

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

80/20	**or**	**90/10**
$Ps = 80\left(1 + \frac{Pt - P\,max}{P\,max}\right)$	or	$Ps = 90\left(1 + \frac{Pt - P\,max}{Pmax}\right)$

Where

Ps = Points scored for price of tender under

consideration Pt = Price of tender under consideration

Pmax = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

(a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or

(b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

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

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Previously disadvantaged individuals	**20**	
100% HDI Equity	20	
Between 75% & 99% HDI	13	
50% and 74% HDI	5	
Less than 50%	2	

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 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

1 This Municipal Bidding Document (MBD) must form part of all bids[1] 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:

____

(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 bidde

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 consortium[3] 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

…………………………………………………….
Position

…………………………………

Date

…………………………………

Name of Bidder

GENERAL CONDITIONS OF CONTRACT (GCC)

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1. Definitions

1. The following terms shall be interpreted as indicated:

1.1 **"Acceptable bid"** means any bid, which, in all respects, complies with the specifications and conditions of the bid as set out in the bid document.

1.2 **"Bid"** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of State for the provision of goods, works or services.

1.3 **"Black enterprise"** means an enterprise that is 50,1% owned by black persons and where there is substantial management control. Ownership refers to economic interest while management refers to the membership of any board or similar governing body of the enterprise.

1.4 **"Black empowered enterprise"** means an enterprise that is at least 25,1% owned by black persons and where there is substantial management control. Ownership refers to economic interests. Management refers to executive directors. This is whether the black enterprise has control or not.

1.5 **"Black people"** includes all African, Coloured or Indian persons who are South African citizens by birth or by descent or who were naturalised prior to the commencement of the constitution in 1993. In addition, the term also includes black people who became South African citizens after the constitution's commencement but who would have been able to be naturalised prior to this, were it not for the Apartheid laws which prohibited naturalisation of certain persons. This means that an African, Coloured or Indian person who was not a South African citizen before the commencement of the constitution in 1993 but who would have been entitled to apply to be naturalised prior to 1993, will also be considered a black person and therefore a beneficiary of BEE.

1.6 **"Black woman-owned enterprise"** means an enterprise with at least 25,1% representation of black women within the black equity and management portion.

1.7 **"Closing time"** means the date and hour specified in the bidding documents for the receipt of bids.

1.8 **"Comparative price"** means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration.

1.9 **"Community or broad-based enterprise"** means an enterprise that has an empowerment shareholder who represents a broad base of members such as a local community or where the benefits support a target group, for example black women, people living with disabilities, the youth and workers. Shares are held via direct equity, non-profit organisations and trusts.

Benefits from the shareholding should in a measurable sense be directed towards the uplifting of the community through job creation, welfare, skills development, entrepreneurship and human rights. At the same time, directors and management of groups should significantly comprise black persons.

These arrangements are appropriate in situations where the activities or operations of an enterprise or industry directly impact on a community or are located in a community, or may benefit a community. Notable examples are large industrial projects, mining and tourism. Other instances, which do assist in broadening the shareholder base, are employee share ownership schemes; these are a viable empowerment shareholder option. In this and other circumstances, these arrangements should not detract from the ability of the shareholder to exercise significant influence or control over the operations of the business.

1.10 **"Consortium or joint venture"** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract.

1.11 **"Contract"** means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

1.12 **"Contract price"** means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.

1.13 **"Control"** means the possession and exercise of legal authority and power to manage the assets, goodwill and daily operations of a business and the active and continuous exercise of appropriate managerial authority and power in determining the policies and directing the operations of the business.

1.14 **"Co-operative or collective enterprise"** is an autonomous association of persons who voluntarily join together to meet their economic, social and cultural needs and aspirations through the formation of a jointly-owned enterprise and democratically controlled enterprise.

1.15 **"Corrupt practice"** means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.

1.16 **"Countervailing duties"** are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.

1.17 **"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.

1.18 **"Day"** means calendar day.

1.19 **"Delivery"** means delivery in compliance with the conditions of the contract or order.

1.20 **“Delivery ex stock”** means immediate delivery directly from stock actually on hand.

1.21 **“Delivery into consignees store or to his site”** means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.

1.22 **“Disability”** means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being.

1.23 **"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.

1.24 **“Equity Ownership”** means the percentage ownership and control, exercised by individuals within an enterprise.

1.25 **”Force majeure”** means an event beyond the control of the supplier and not involving the supplier’s fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

1.26 **“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.

1.27 **“GCC”** means the General Conditions of Contract.

1.28 **“Goods”** means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

1.29 **“Historically Disadvantaged Individual (HDI)”** means a South African citizen -

1.29.1 who, due to the Apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act 110 of 1983) or the Constitution of the Republic of South Africa, 1993, (Act 200 of 1993) (“the interim Constitution); and/or

1.29.2 who is a female; and/or

1.29.3 who has a disability:

provided that a person who obtained South African citizenship on or after the coming to effect of the Interim Constitution, is deemed not to be a HDI.

1.30 **Imported content"** means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.

1.31 **"Local content"** means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.

1.32 **"Management"** means an activity inclusive of control and performed on a daily basis, by any person who is a principal executive officer of the company, by whatever name that person may be designated, and whether or not that person is a director.

1.33 **"Manufacture"** means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

1.34 **"Order"** means an official written order issued for the supply of goods or works or the rendering of a service.

1.35 **"Owned"** means having all the customary elements of ownership, including the right of decision-making and sharing all the risks and profits commensurate with the degree of ownership interests as demonstrated by an examination of the substance, rather than the form of ownership arrangements.

1.36 **"Parliament"** means Parliament of the Republic of South Africa as set out in Chapter Four of the Constitution.

1.37 **"Person"** includes reference to a juristic person.

1.38 **"Project site"** where applicable, means the place indicated in bidding documents.

1.39 **"Purchaser"** means the organization purchasing the goods.

1.40 **"Rand value"** means the total estimated value of a contract in Rand denomination that is calculated at the time of the bid invitations, and includes all applicable taxes and excise duties.

1.41 **"Republic"** or **"RSA"** means the Republic of South Africa.

1.42 **"RFP"** means Request for Proposal.

1.43 **"RFT"** means Request for Tender.

1.44 **“RFQ”** means Request for Quotation.

1.45 **“SCC”** means the Special Conditions of Contract.

1.46 **“Secretary”** means the Secretary to Parliament.

1.47 **“Services”** means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.

1.48 **“Specific contract participation goals”** means the goals as stipulated in the Preferential Procurement Regulations, 2001. In addition to above-mentioned goals, the Regulations [12. (1)] also make provision for organs of State to give particular consideration to procuring locally manufactured products.

1.49 **“Small, Medium and Micro Enterprises (SMMEs)** bears the same meaning assigned to this expression in the National Small Business Act, 1996 (Act 102 of 1996).

1.50 **“Sub-contracting”** means the primary contractor’s assigning or leasing or making out work to, or employing another person to support such a primary contractor in the execution of part of a project in terms of the contract.

1.51 **“Trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person.

1.52 **“Trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

1.53 **“Written”** or **“in writing”** means handwritten in ink or any form of electronic or mechanical writing.

2. Application

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

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

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

3. General

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

4. Standards

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

5. Use of contract documents and information; inspection

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

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

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

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

6. Patent rights

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

7. Performance security

7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

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

7.3 The performance security shall be denominated in the currency of the contract or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

(a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or

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

8. Inspections, tests and analyses

8.1 All pre-bidding testing will be for the account of the bidder.

8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of Parliament or an organisation acting on behalf of Parliament.

8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

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

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

9. Packing

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

9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

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

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

(a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;

(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;

(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

(d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

(e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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

14. Spare parts

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

(a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and

(b) in the event of termination of production of the spare parts:

(i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and

(ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

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

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

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

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

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment

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

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

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

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

17. Prices

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

18. Contract amendments

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

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

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

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

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

21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

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

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

22. Penalties

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

23. Termination for default

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

(a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;

(b) if the Supplier fails to perform any other obligation(s) under the contract; or

(c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

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

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 supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for insolvency

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

27. Settlement of Disputes

27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

27.5 Notwithstanding any reference to mediation and/or court proceedings herein,

(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and

(b) the purchaser shall pay the supplier any monies due the supplier.

28. Limitation of liability

28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;

(a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

29. Governing language

29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

30. Applicable law

30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.

31. Notices

31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice

31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

32. Taxes and duties

32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid, Parliament 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 (SARS).

33. Ownership and Copyright

33.1.1 Ownership of all products produced in terms of this agreement, of whatever nature, vest in Parliament.

33.1.2 The copyright of products, of whatever nature, commissioned and produced in terms of this agreement, and that have been paid for by the Secretary are owned exclusively by Parliament.

DECLARATION

I, THE UNDERSIGNED
(NAME)…………………………………………………………………………

CERTIFY THAT THE I HAVE READ AND UNDERSTAND THE INFORMATION ABOVE. I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION PROVE TO BE FALSE.

…………………………………..	……………………
Signature	Name / bidder
………………………………….	………………………
Position	Date