INVITATION TO BID

(In terms of the Supply Chain Management Regulations (Government Gazette 27636 of 30 May 2005)

BID NO: MAM2022-006

APPOINTMENT OF SERVICE PROVIDER FOR BANKING SERVICES FOR A PERIOD OF 60 MONTHS

Closing Date and Time: Thursday,30 September 2021 at 12:00

NAME OF BIDDER:		**Bidder VAT registered?** **Yes:** ☐ **No:** ☐
TOTAL BID PRICE (INCL VAT): **(Brought forward from MBD 3.1)**		
CSD REGISTRATION NO		

Please note that it is compulsory for all service providers to complete the above required information

INVITATION TO BID

Bid No.	Description of Bid	Closing date & Time
MAM2022 - 005	Appointment of A Service Provider for Vat Review Services for A Period of 36 Months	16 August 2021 @ 12:00
MAM2022 - 006	Appointment of a Service Provider for Banking Services for A Period of 60 Months	30 September 2021 @ 12:00

Bid documents with detailed bid specifications and information are obtainable from the etender portal against a payment of a non-refundable deposit of **R500.00 from 04 August 2021**.Proof of payment must be attached to the tender document, Failure to do so will result into an automatic disqualification. The Municipality's Banking details are available at the last page of the tender document.

There will be a Non-Compulsory virtual briefing session for Bid Number MAM2022-006 on the 30th of August 2021. Interested bidders to email marumob@mamusa.gov.za with their details to enable the municipality to create a Teams Virtual meeting invite not later than the 27th of August at 10:00am.

Project enquiries my be directed to Ms. B Marumo on 074 632 7291 / marumob@mamusa.gov.za and all bidding enquiries may be directed to Ms. S Sirwe on 081 090 3590 / sirwes@mamusa.gov.za during office hours (weekdays 07:30 – 16:00)

Sealed Bids clearly marked with the project name and tender number must be placed in the tender box situated at the offices **(BTO Blue house)** of the MAMUSA LOCAL MUNICIPALITY, 28 Schweizer Street, SCHWEIZER-RENEKE, 2780, on or before the closing date and time at which time the bids will be opened in public.

No late bids will be accepted.

The MAMUSA LOCAL MUNICIPALITY does not bind itself to accept the lowest or any bid and the Municipality reserves the right to accept the whole or part of any bid and further reserves the right to re-advertise if it so wishes to. No reasons for the acceptance or rejection of any bid will be given.

Bids will be evaluated on the basis of responsiveness first then functionality and only responsive bids will be evaluated on Price and B-BBEE status contributor at 80/20 points. Preferential points basis are allocated/awarded in accordance to preferential procurement policy framework Act 5 of 2000 (PPPFA) and the PPPFA Regulations of 2017.

Mr. R. R Gincane

Municipal Manager

CONTENTS

1. BID CHECKLIST

Suppliers are to use this checklist to ensure that the Bid documentation is complete for administrative compliance. The supplier is to indicate that the documentation is complete and included in the Quotation document by completing the table below.

Tick to indicate that the information is included

Item	Description	Yes	No	n/a
1.	Is your business registered as accredited prospective supplier on Central Supplier Database?	☐	☐	☐
2.	Is the Quotation document administration fee paid and original receipt attached to the Quotation document?	☐	☐	☐
3.	Did you read and understand all pages of the Quotation document?	☐	☐	☐
4.	Did you complete the Quotation documents in black ink?	☐	☐	☐
5.	Did you provide a certified copy of your company registration and VAT registration certificates?	☐	☐	☐
6.	Did you provide a certified copy of your identity document in case of sole proprietorship?	☐	☐	☐
7.	Did you provide registration certificate pertaining to the relevant industry e.g. (Electrical Contractors Board), if applicable?	☐	☐	☐
8.	Did you provide a covering letter?	☐	☐	☐
9.	Did you provide an original and valid tax clearance certificate?	☐	☐	☐
10.	Did you complete and sign the Quotation Declaration Form? (section 3)	☐	☐	☐
11.	Where applicable, is the resolution taken the Board of Directors/Members/Partners completed and signed? (section 4)	☐	☐	☐
12.	Where applicable, is the resolution taken the Board of Directors of a Consortium or Joint Venture completed and signed? (section 5)	☐	☐	☐
13.	Is invitation to Quotation completed and signed?(MBD 1)	☐	☐	☐
14.	Is the Declaration of Interest completed and signed? (MBD 4)	☐	☐	☐
15.	Is the Declaration of Supplier's Past Supply Management Practices completed and signed? (MBD 8)	☐	☐	☐
16.	Is the Certificate of Independent Quotation Determination completed and signed? (MBD 9)	☐	☐	☐
17.	Did you complete and sign the Previous Work Experience of a Similar Nature section? (section 9)	☐	☐	☐
18.	Is the Preference Points Claim Form in Terms of the Preferential Procurement Regulation 2017 completed and signed? (MBD 6.1)	☐	☐	☐
19.	Did you provide an original and valid B-BBEE status level verification certificate or a certified copy thereof or, if you qualify as an EME, did you provide a verification certificate? (MBD 6.1)	☐	☐	☐
20.	Does the product/service offered conform to the Quotation Specifications?	☐	☐	☐
21.	Is Pricing Schedule completed?(MBD 3.1)	☐	☐	☐

2. SPECIAL CONDITIONS OF BID

1. The Municipality's document must be kept as supplied and submitted with all schedules / forms fully completed.

2. Any other documents, certificates etc. must be attached as an annexure to the official Municipal document.

3. Where the Municipality's official document is taken apart and not submitted as supplied, the Quotation might be rejected.

4. Schedules / forms not duly completed and signed by the supplier will result in a Bid not being considered.

5. All Forms of Special Conditions in Specifications should be included.

6. The Bid document must be completed in black ink, and prices must be VAT inclusive, unless otherwise specified.

7. The lowest or any Quotation will not be necessarily accepted, and the MAMUSA LOCAL MUNICIPALITY reserves the right to accept the whole or any portion of a Quotation.

8. All prices and details must be legible to ensure the Quotation will be considered for adjudication.

9. Corrections may not be made by means of correction fluid such as Tip – Ex, or any other similar product. In the event of a mistake being made, it should be crossed out in ink and be accompanied by a full signature at each and every alteration. The Municipality reserves the right to reject the Quotation if corrections are not made in accordance with the above.

10. All Bid documents must include the following documents:

- Compliant tax status;
- copy of company registration Certificate;
- Business Profile
- Certified copies ID of shareholders not older than 3 months
  Latest Municipal statement (rates and taxes) not older than 3 months or copy a signed lease agreement if leasing a property
- Letter of Authority for signatory
- Tender document completed in full.
- BBBEE certificate obtained from accredited agencies by SANAS or registered auditors approved IRBA (Independent Regulatory Broad of Auditors) or in case Exempted Micro Enterprises, the BBBEE certificate may be issued by registered Accountant as well.

11. The supplier may submit a comprehensive company profile, for example the founding company statements, as well as a detailed exposition of previous work done.

12. Suppliers are required to be registered on the MAMUSA LOCAL MUNICIPALITY's Supplier Database. Consultants are required to be registered on the Municipality's Consultant Roster System (Application forms are obtainable from the Finance Department of the Municipality).

13. No Bid forwarded by e – mail, telegram, telex, facsimile or similar apparatus will be considered.

14. Late Bids shall not be admitted for consideration.

15. Bid must be properly received and deposited in the Bid box of the MAMUSA LOCAL MUNICIPALITY on or before Thursday,30 September 2021 at 12:00. Bid offers must be submitted in a sealed envelope properly marked in terms of the Quotation number and Quotation description, at the offices of the Municipality situated at 28 Schweizer Street, SCHWEIZER-RENEKE, 2780.

16. Copyright / Patent Rights – Copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the MAMUSA LOCAL MUNICIPALITY.

3. BID DECLARATION

1. I/we Mr/Mrs/Messrs ____ duly assigned to represent the supplier for the purpose of this Quotation, hereby Quotation to supply the goods and/or render services described in the attached documents to the MAMUSA LOCAL MUNICIPALITY on terms and conditions stipulated in this Quotation and in accordance with the specifications stipulated in the Quotation documents (which shall be taken as part of, and incorporated into this Quotation) at the prices reflected in the Pricing Schedule.

2. I/we agree that this offer shall remain valid for a period of **90** days commencing from the closing date and time of this Bid.

3. I/We further agree that:

   3.1 This Bid and its acceptance shall be subject to the terms and conditions contained in the in the MAMUSA LOCAL MUNICIPALITY's Supply Chain Management Policy;

   3.2 if I/we withdraw my/our bid within the period for which I/we have agreed that the bid shall remain open for acceptance, or fail to fulfil the contract when called upon to do so, the MAMUSA LOCAL MUNICIPALITY may, without prejudice to its other rights, agree to the withdrawal of my/our Bid or cancel the contract that may have been entered into between me/us and the MAMUSA LOCAL MUNICIPALITY and I/we will then pay to the MAMUSA LOCAL MUNICIPALITY any additional expense incurred by the MAMUSA LOCAL MUNICIPALITY having either to accept any less favourable Bid or, if fresh Bids have to be invited, the additional expenditure incurred by the invitation of fresh bids and by the subsequent acceptance of any less favourable Bids; the MAMUSA LOCAL MUNICIPALITY shall also have the right to recover such additional expenditure by set-off against moneys which may be due or become due to me/us under this or any other Bid or contract or against any guarantee or deposit that may have been furnished by me/us or on my/our behalf for the due fulfilment of this or any other Bid or contract and pending the ascertainment of the amount of such additional expenditure to retain such moneys, guarantee or deposit as security for any loss the MAMUSA LOCAL MUNICIPALITY may sustain by reason of my/our default;

   3.3 If my/our Bid is accepted the acceptance may be communicated to me/us by letter or order by certified mail or registered mail. Such posting shall be deemed to be proper service of such notice with effect from the date of posting/dispatch of such notice;

   3.4 The law of the Republic of South Africa shall govern the contract created by the acceptance of my/our Bid and that I/we choose *domicilium citandi et executandi* in the Republic of South Africa, where any and all legal notices may be served at (full street address of this place):

   ____

4. I/we furthermore confirm that I/we have satisfied myself/ourselves as to the correctness and validity of my/our Bid; that the price(s) and rate(s) quoted cover all the work/item(s) specified in the Bid documents and that the price(s) and rate(s) cover all my/our obligations under a resulting contract and that I/we accept that any mistakes regarding price(s) and calculations will be at my/our risk.

5. I/we hereby accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me/us under this agreement as the principal(s) liable for the due fulfilment of this contract.

6. I/we agree that any action arising from this contract may in all respects be instituted against me/us and I/we hereby undertake to satisfy fully any sentence or judgment which may be pronounced against me/us as a result of such action.

7. I/we declare that I/we have participation/no participation* in the submission of any other offer for the supplies/services described in the attached documents. *If in the affirmative, state name(s) of Bid (s) involved.

   ____

   ____

Name of Bidder:_____________________________ Signature ________________________________

4. RESOLUTION TAKEN BY THE BOARD OF DIRECTORS / MEMBERS / PARTNERS

RESOLUTION of a meeting of the Board of Directors / Members / Partners of

____

(Name of Supplier)

Held at ____ On __________________________

(Place) (Date)

RESOLVED THAT:

1. The enterprise submits a Bid to the MAMUSA LOCAL MUNICIPALITY in respect of the following project:

   APPOINTMENT OF SERVICE PROVIDER FOR BANKING SERVICES FOR A PERIOD OF 60 MONTHS

2. Mr/Mrs/Ms ____

   In his/her capacity as ____and who will sign as follows:

   ____

   (Specimen Signature)

   be, and is hereby, authorised to sign the Bid and/or all other documents and/or correspondence in connection with and relating to the Quotation, as well as to sign any contract, and/or all documentation resulting from the award of the Quotation to the enterprise mentioned above.

Note: The resolution must be signed by all the directors or members/partners of the bidding enterprise. Should the space provided below not be sufficient for all directors to sign, please provide a separate sheet in the same format as below.

	Name	Capacity	Signature
1			
2			
3			
4			
5			
6			
7			
8			

Enterprise Stamp

1. RESOLUTION TAKEN BY THE BOARD OF DIRECTORS OF A CONSORTIUM OR JOINT VENTURE

RESOLUTION of a meeting of the Board of Directors / Members / Partners of

____
(Name of Supplier)

Held at ________________________________ On ____________________
(Place) (Date)

RESOLVED THAT:

1. The enterprise submits a Bid to the MAMUSA LOCAL MUNICIPALITY in respect of the following project:

   APPOINTMENT OF SERVICE PROVIDER FOR BANKING SERVICES FOR A PERIOD OF 60 MONTHS

   As a Consortium/Joint Venture comprising *(list all the legally correct full names and registration numbers, if applicable, of the Enterprises forming the Consortium/Joint Venture)*

   ____
   (Enterprise full Name and Registration Number)

   ____
   (Enterprise full Name and Registration Number)

2. Mr/Mrs/Ms ____

   In his/her capacity as ____________________________________and who will sign as follows:

   ____
   (Specimen Signature)

   be, and is hereby, authorised to sign the Bid and/or all other documents and/or correspondence in connection with and relating to the bid, as well as to sign any contract, and/or all documentation resulting from the award of the bid to the **Consortium/Joint Venture** enterprise mentioned above.

3. The enterprise in the form of a consortium or joint venture accepts jointly and several liability with parties under item 1 above for the fulfilment of the obligations of the joint venture deriving from, and in any way connected with the contract to be entered into with the MAMUSA LOCAL MUNICIPALITY in respect of the project described above under item 1.

4. The **Consortium/Joint venture** enterprise chooses as its *domicilium citandi et executandi* for all purposes arising from this joint venture agreement and contract with the MAMUSA LOCAL MUNICIPALITY in respect of the project under item 1:

____
(Physical Address)

Note: The resolution must be signed by all the directors or members / partners of the bidding enterprise. Should the space provided below not be sufficient for all directors to sign, please provide a separate sheet in the same format as below.

	Name	**Capacity**	**Signature**
1			
2			
3			
4			
5			
6			

Enterprise Stamp

1.TERMS OF REFERENCE

It is the intention of the Mamusa Local Municipality to enter into a formal contract with a service provider that will carry out the services described hereunder. These Terms of Reference and the service provider's proposal will form the basis of the contract.

BACKGROUND

In terms Section 7 of the Municipal Finance Management Act 56 of 2003, a municipality must open and maintain at least one bank account in the name of the municipality.
All money received by a municipality must be paid into its bank account or accounts, and this must be done promptly and in accordance with Chapter 3 of the MFMA and any requirements that may be prescribed.

LEGISLATIVE COMPLIANCE:

- All banks must be registered in terms of the Bank Act 94 of 1990, as per Section 7 3(b) of the MFMA Act no 56 of 2003.
- The banks must also be a member of the Payments Association and Credit Clearance House.
- Bidders are expected to incorporate into their banking solution proposal that will ensure compliance with the following: -
- Constitution of R.S.A, Act 108 of 1996
- Municipality Systems Act 32 of 2000 as amended
- Municipal Finance Management Act 56 of 2003
- Any other applicable legislation 6 Purpose To achieve the above the banking service provider must:
- Have a Relationship Manager / team based within the Mamusa Local Municipality?
- Provide consolidated reports on all bank accounts of Mamusa Local Municipality.
- Provide daily electronic downloads of transactions.
- Provide a central point for enquiry services that will allow a 24-hour turnaround time.
- Provide Short term debt facilities in accordance with section 45 of the MFMA.
- Facilitate electronic payroll facilities to all permanent staff and casuals.
- Provide an integrated banking solution for payments and receipts that is cost effective and efficient.
- Facilitate electronic payment system for sundry & creditors payments.
- Render daily cash collection and banking services for all monies collected from the cashiers of Mamusa Local Municipality main and satellite offices
- Provide Physical Banking and debit order facility

Footprint.

i. Availability of branches, service points and support staff within the area of Mamusa Local Municipality
ii. ii. Availability of points for the public to pay municipal accounts within the subscribed municipal area.

<u>SPECIFICATION AND REQUIREMENTS</u>

SERVICES AND COSTS

a. Online Cheque Stopping Facility;
b. Online Banking Security;
c. Online Customer Transactions;
d. High volume transactions.
e. Identification of allocated deposits.

f. The bidder must indicate whether it has a direct online stop payments facilities and the reversal thereof,
g. Has a direct online service to enquire the status of banked cheques
h. Has ability to handle large volumes of transactions online
i. Indicate whether it can supply online photographic images of all banked cheques and if not in what format is this information available.
j. Has direct online function to enquire on the status of all relevant bank accounts
k. The bidder must provide solutions to identify and reduce unknown deposits

COST STRUCTURES

Bank Charges and the time frame that the rates will be effective for:-

i. Deposits and cheque payments;
ii. Other charges like same day clearance
iii. Monthly Services;
iv. Online Banking.
v. Fee for collection and safekeeping of cash.
vi. Any other costs associated with the banking services

FINANCING RATES;

i. Short term debt facility
ii. Asset Based Finance;
iii. Operating Rentals.
iv.

INVESTMENT PORTFOLIO

a. Products;
b. Charges;
   i. Administration;
   ii. Commission;
   iii. Switching Funds.
c. Administration of the Portfolio;
d. Interest earned on available funds.

BANKING SERVICES AND PRODUCT RANGE;

The bidder must provide a full set of electronic and other banking products and services to the Municipality such as-:

CASH MANAGEMENT SERVICES

- Supply information indicating procedures and authorization requirements for cash deposits, withdrawals, cheque payments, stop payments instructions and any other services provided relating to the handling of cash and cheques with the associated costs,
- Can sort information based on deposit identification;
- Must provide real time cash management information to optimize the municipality's fund management;
- The Cash Management System must play a role in optimising cash balances and reducing costs associated with the management and movement of funds.
- The Bidder must provide the municipality with cash drop box facilities to secure cash collected from all municipal sites.
- Provision of cash in transit services and insurance thereof.

- Daily aggregation of deposit accounts
- The provision of interfaces between the bank's electronic system and the municipality's financial accounting system to enable electronic reconciliations;
- Provide electronic identification and reconciliation of counter deposits

ELECTRONIC BANKING

- Provide electronic bank statements the following day after deposits are made;
- Multi-layered security enabling individual access to transfers and/or enquiries irrespective of physical with audit trial capabilities;
- Has the capacity for the municipality to identify and offer modular cash management functionalities;
- Payroll data transmission electronically from Mamusa local municipal payroll system (Munsoft) through the electronic banks portal for credit to the employee's bank accounts at the financial institutions of their choice.
- The total amount of each payroll is charged to Mamusa LM's Current Account. With over 400 employees including councillors on the governance structures, the bidder's banking system should be able to handle the monthly volume of electronic transactions processed regardless of amount and number as they may differ from month to month.
- Must be able to operate as a house keeper if more than one banker is involved to facilitate the daily sweeping;
- Have predetermined electronic payments set up with standards payments details for both third party payments and internal transfers;
- Have adhoc electronic transfer system for 3rd party payments and internal transfers;
- The bidder should be able to process payments to international service providers on request by the municipality.
- Has the ability to assist the municipality in applying limits to transactions and account and the monitoring thereof;
- Provide for deposit identification with electronic transfers and deposits, the number and type of characteristics should be supplied;
- Has the ability to supply information pertaining to unpaid ACB transactions and rejections
- Bidder should update bank signatories with transaction details via sms /email

REPORTING, AUDIT TRAILS AND QUERIES

- Supply information of its ability to provide daily and monthly cash management reports and statements;
- Provide information as to what audit trials will be available in what format and how daily and adhoc queries will be addressed. Response time to supply statements should be stated;
- Indicate whether it can provide a breakdown of information of the bank charges and costs to allow the municipality to reconcile with proposal prices;
- Indicate any additional costs that are incurred with the supply of information;
- Demonstrate executive reporting facilities to assist in the control and monitoring of accounts and exceptions reporting for amounts that exceed a specific limit and unusual patterns of spending.
- Bidder should be able to confirm balances of all accounts at year-end directly to auditors on request.

NON-FINANCIAL AND ADDITIONAL SERVICES

a. General Advice;
b. Bank Training for applicable municipality staff;
c. Risk Management.

PROJECT AND ASSET FINANCING PRODUCTS/ CORPORATE ACCOUNTS

a. Leasing (buildings and machinery);
b. Financing (buildings and machinery);
c. Rentals;
d. Fleet management services;
e. Maintenance;
f. Hire purchase;
g. Capital Projects
h. Travel corporate account

SPECIFIC REQUIREMENTS AND ISSUES

i. **Short Term Facilities required (if there is a cost involved for this service, please include it in the Pricing Schedule)**

The municipality may require either cash backed or non-cash backed guarantees from the Bank. Please ensure that there is a facility available at all times and give indicative rates for such facilities.

The Proposal must also indicate what the pricing will be on positive or credit balances. Proposals may also consider proposing different rates for different levels of facilities and or balances.

j. **Custodian Services (if there is a cost involved for this service, please include it in the Pricing Schedule)**

Other safe custody services for material other than financial script must also be included in this section.

k. **Settlement Agent (if there is a cost involved for this service, please include it in the Pricing Schedule)**

The Bidder must indicate whether it is an official settlement agent of the Bond Exchange of South Africa.

l. Other Services (If there is a cost involved for this service, please include it in the Pricing Schedule. If the cost relating to this offering is for the Municipality or the Employees then this must be clearly stated on the pricing schedule)

m. **Computer Systems and Technical Equipment (if there is a cost involved for this service, please include it in the Pricing Schedule**

Please provide a technical specification to enable the Bidder to interface with the computer systems of the Municipality.

Any additional hardware that would be required to ensure that the Municipality's IT system functions effectively.

The Communication Software that will be made available to allow the systems to link and talk to each other.

Information on the connection protocol or service provider that the Bidder must subscribe to.

Security assurance and confidentiality in connectivity between the Municipality and the Bidder.

All IT related roles and responsibilities must be clearly outlined.

Security Procedure and Insurance (if there is a cost involved for this service, please include it in the Pricing Schedule

Please provide information as to what security procedures are being followed to prevent fraudulent practices in terms of commerce, cheques, cash, etc.

Please provide information as to what insurance arrangements are in place or should be put in place as part of the Proposal to protect the Municipality against any loss, and the cost thereof.

Outline a plan to provide the Municipality's senior management and its employees with ongoing advice and training on fraud prevention and methods of detecting fraud.

Advice and facilities to detect money-laundering activities.

Training and Skills Transfer (if there is a cost involved for this service, please include it in the Pricing Schedule)

The Municipality is continuously focusing on the skilling and the training of its Staff. The Bidder is required to provide the Municipality with a detailed proposal outlining a training strategy and plan with timeframes with regard to, among others, the following.
Training that will be provided on the various banking products and facilities that will be used by the Municipality.

- Training of Front-Line Staff
- Training on Customer Care, Cash Handling, Detection of fraud, etc.
- Continuous on-site training on the use of the Bidders electronic banking systems.

Service Level Agreement

The Bidder must provide a pro forma copy of a service level agreement that will allow the Municipality to monitor the performance under the contract and have remedies on how best to solve the problem. When every avenue has been exhausted the Municipality may decide on its discretion to terminate the agreement.

The service level agreement must also indicate how costs and services are evaluated and adjusted on a regular basis. The quoted prices will be subject to a maximum annual increase in CPI, based on the proposed level of service. Where the Bidders provide for a smaller adjustment, this should be clearly indicated in this manner. The Service Level Agreement shall be subject to scrutiny and negotiate with the Municipality.

Demonstrating financial stability and viability of The Bidder
The Bidders must demonstrate in written submission the financial stability of their organisation for detailed evaluation. The Bidders are therefore obliged to furnish the Municipality with their latest credit rating report prepared by an independent credit rating agency.

- Bank contact centre numbers must be made available to place on all ads to encourage our customers to register for electronic banking to pay accounts.
- All payment points and other Centres identified where payment is made to be equipped with Debit Card Facilities.

SOCIAL RESPONSIBILITIES
Please outline in detail your contribution to Social Development making reference to amongst others the following:

- Community Development Initiatives
- Community Projects
- Corporate Social Investment
- SMME access to finances particularly targeted to geographical area of KSD Local Municipality
- Financing initiatives to the lower income groups
- Enterprise Development
- Empowerment Financing
- Education
- Job Creation
- Community Based HIV/AID Programme

Broad Based Economic Empowerment and Employment Equity
Please outline in detail your overall BEE STRATEGY, BEE IMPLEMENTATION PLAN AND PROGRAM

IMPLEMENTATION SCHEDULE

- The service provider will be responsible for the compilation of the "Project Programme", detailing activities and time frames for provision of the Terms of Reference. This should be provided to Mamusa Local Municipality within a week of appointment and presented to the Project Manager.
- Any deviation from the accepted Programme should be pre-negotiated with the Municipality**.**

FURTHER REQUIREMENTS FOR THE PROVISION OF BANKING SERVICES TO THE MAMUSA LOCAL MUNICIPALITY

1. All Bidders must be registered in terms of the Bank Act 1990, Act 94 of 1990. Proof of registration to be provided. Failure to provide proof of registration will result in the proposal not being considered.
2. Key individual (s) of the Relationship Management team (C.V of the manager / operators of the service to be included in the bid submission).
3. Proof of Financial standing and access to Capital, Level of Capital / Cash flow required for this project funded through equity / loans (min 30% from own resources).
4. Clear legal Structure / Shareholding of internal reward and risk sharing for the project.
5. The contract will be for duration of 5 years

2 EVALUATION CRITERIA

The bids will be evaluated on three categories, namely:

- Stage 1 – Eligibility Criteria- Prequalification compliance assessment
- Stage 2- Functionality
- Stage 3- Price and BBBEE Point

Eligibility Criteria- Prequalification compliance assessment

Bidders who have not complied with the tender requirements such as attendance at the tender briefing as well as submission of documents before closing date will be eliminated and requirements as listed on the tender document.

Functionality Scoring

Only Bidders who score 70% or more on Functionality will be evaluated further and therefore be eligible for the award. A bid will be disqualified if it fails to meet the minimum threshold of 70% value for functionality as per the bid invitation

Functionality,

A minimum score of 70 points out of 100 points must be score in order to proceed to Price and Preferential Points

CRITERIA FOR FUNCTIONALITY	**POINTS**	**Page reference to brochure or proposal**
Description		
Technological Potential **Proof of ability to process same day payments to other banks 5 points** • **Brochure or proposal attached – 5 points** **Ability to process same day clearance – 5 points** • **Brochure or proposal attached – 5 points** **Ability to process collection /debit order facility – 5 points** • **Brochure or proposal attached – 5 points** **Ability to update users via in contact/sms/email – 5 points** • **Brochure or proposal attached – 5 points** **User access is controlled via authorised profile – 5 points** • **Brochure or proposal attached – 5 points** **Banking is accessed via online service 24 hours a day – 5 points** • **Brochure or proposal attached – 5 points** **Users are able to print statements online, stop transactions online, reverse debit orders online – 5 points** • **Brochure or proposal attached – 5 points** **The system allows more than one user to authorise online transactions – 5 points** • **Brochure or proposal attached – 5 points**	**Maximum 45** **5** **5** **5** **5** **5** **5** **5** **5** **5**	

Users are assigned authorisation limits – 5 points • **Brochure or proposal attached – 5 points**		
Presence within Mamusa Local Municipality Bidder must demonstrate presence within Mamusa Local Municipality. Availability of a branch in Schweizer – Reneke area (15 Points)	**Maximum 15**	
Relationship/Account Executive Team • Extent of Public Sector Banking experience of the Relationship/Account Executive management team: - 5 years and above experience (**20 Points)** - 3 to 4 years' experience **(10 Points)** - 1 to 2 years' experience **(5 Points)** - Less than 1 year experience **(No Points**) NB: Copies of CV's, Certificate in banking for Relationship/Account Executive Management team must be enclosed failure which no points will be allocated	**Maximum 20**	
Project Methodology ▪ **Detailed project implementation plan with time frames as per Implementation and Training requirements in executing the contract successfully. This will entail account manager visiting Mamusa Local Municipality regularly to check if there are any challenges being experienced and resolving them. This will also involve the account manager visiting Mamusa Local Municipalityand presenting new products and services on a regular basis. (10 Points**) Plan for account manager attached / referenced (10 points) ▪ **Allocated team and Project team. The more experienced and skilled the team and project manager are, the more points will be allocated (10 points**) ▪ **Project Team can be any number** - Project team with 5 years and above experience (10 Points) - Project team with 4 years (6 Points) - Project team with 3 years (3 Point)	**Maximum 20**	

NB: Copies of CV's and qualifications of Project Team must be enclosed failure which no points will be allocate		
TOTAL	**100**	
MINIMUM POINTS	**70 Points**	

PART A

MBD 1: INVITATION TO BID/TENDER

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE MAMUSA LOCAL MUNICIPALITY					
BID NUMBER:	**MAM2022-006**	CLOSING DATE:	30 September 2021	CLOSING TIME:	**12:00**
DESCRIPTION	**APPOINTMENT OF SERVICE PROVIDER FOR BANKING SERVICES FOR A PERIOD OF 60 MONTHS**				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).					

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT 28 SCHWEIZER STREET, SCHWEIZER RENEKE

MAMUSA LOCAL MUNICIPALITY
28 Schweizer Street
SCHWEIZER-RENEKE
2780

SUPPLIER INFORMATION				
NAME OF BIDDER				
POSTAL ADDRESS				
STREET ADDRESS				
TELEPHONE NUMBER	CODE		NUMBER	
CELLPHONE NUMBER				
FACSIMILE NUMBER	CODE		NUMBER	
E-MAIL ADDRESS				
VAT REGISTRATION NUMBER				
TAX COMPLIANCE STATUS	TCS PIN:		**OR** CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	☐ Yes ☐ No
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]				

ARE YOU THE ACCREDITED REPRESENTATIVE **IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?**	☐Yes ☐No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR **THE GOODS /SERVICES /WORKS OFFERED?**	☐Yes ☐No [IF YES, ANSWER PART B:3]
TOTAL NUMBER OF ITEMS OFFERED		**TOTAL BID PRICE**	**R**
SIGNATURE OF BIDDER	………………………………	**DATE**	
CAPACITY UNDER WHICH THIS BID IS SIGNED			
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		**TECHNICAL INFORMATION MAY BE DIRECTED TO:**	
CONTACT PERSON	Ms. S Sirwe	CONTACT PERSON	Ms. B Marumo
E-MAIL ADDRESS	sirwes@mamusa.gov.za	E-MAIL ADDRESS	marumob@mamusa.gov.za

PART B
TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:

1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.

1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE**

1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.

2. TAX COMPLIANCE REQUIREMENTS

2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.

2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.

2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.

2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.

2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.

2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.

2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.

3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?
☐ YES ☐ NO

3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?
☐ YES ☐ NO

3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?
☐ YES ☐ NO

3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?
☐ YES ☐ NO

3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?
☐ YES ☐ NO

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

NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS 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: …………………………………………...

MAMUSA LOCAL MUNICIPALITY

PRICING SCHEDULE – FIRM PRICES
(PURCHASES)

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

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

Name of Bidder: ……………………………………..…………………………………………..

Bid number: **MAM2022-006**
Closing day and time:
Bid description: **APPOINTMENT OF A SERVICE PROVIDER FOR BANKING SERVICES FOR A PERIOD OF 60 MONTHS**

NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT.

1. EXECUTIVE SUMMARY

Firm quotations are hereby requested from registered service providers with the following specifications as a minimum: **APPOINTMENT OF A SERVICE PROVIDER FOR BANKING SERVICES FOR A PERIOD OF 60 MONTHS**

2. PRICING SCHEDULE

Item No	SERVICE REQUIRED	AMOUNT
1.	Monthly Account fee	
2.	Cash Deposit Fee	
3.	Cash Handling Fee	
4.	Electronic Subscription Services	
5.	Supply of deposit Books	
6.	Cash Deposit errors	
7.	Audit Confirmations Letters / Certificates	
8.	Delivery of Statements	
9.	Returned / Disputed debit orders	
10.	Download Bank Statement	
11.	Hard Copies of historic information requested	
12.	Deposit error corrections reported within 48 hours	
13.	EFT Facility to effect salary payment	
14.	Charges relating to user's password forgotten or reactivation of users / password reset	
15.	Statement Fees	
16.	Cancellation of debit orders	
17.	Query of unknown Deposits	
18.	Electronic Funds Transfer	

19.	Rejection of incorrect beneficiary / Customer account / reference numbers	
20.	Cash storage machines-include installation fees and maintenance	
21.	Card swiping machines	

N.B A FULL LIST OF ALL ELECTRONIC, RATES, SERVICES AND OTHER PRODUCTS CHARGED IN ADDITION TO THE ABOVE MUST ALSO BE ATTACHED TO THE BID DOCUMENT.

BIDDERS MUST BE TRANSPARENT IN ALL THEIR PRICING. PLEASE PROVIDE US WITH A DETAILED LIST OF YOUR PRICING QUOTING PRICES INCLUDING VAT FOR THE CRITERIA LISTED ABOVE:

Proposed Format for Submissions:

1. Information and background
2. Employment equity and employment profile
3. Branch network within Mamusa Local Municipality Region
4. Solutions to services required as per tender specifications 5. Pricing / Cost Structure

- Standard prices (schedule to be attached)
- Transitional costs

6. Corporate Social Investment
7. Relationship Management team
8. Proof of Registration in terms of the Bank Act
9. Proof of membership of the Payments Association and Credit Clearance House
10. Memorandum or articles of association, and / corporate registration documents
11.Confirmation of shareholders' funds as at to date of the last financial year (extract of the Audited AFS)
12. Proof of fidelity cover

Required by: …………………………………

At: …………………………………

Does the offer comply with the specification(s)? *YES/NO

If not to specification, indicate deviation(s)…………………………………………………………………

Period required for delivery ………………………………… *Delivery: Firm/Not firm

Delivery basis ……………………………………

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

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

5. PREVIOUS WORK EXPERIENCE OF A SIMILAR NATURE

List main work experience of a **similar nature to this bid** successfully executed and completed (or on-going) in the last five (5) years:

No	Institution / client / employer	Project description	Date started	Date completed (indicate projected completion if on-going)	Project value in Rand	Name and contact details of contact person / reference at institution
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

Representatives of the MAMUSA LOCAL MUNICIPALITY are hereby authorized to contact the above contact persons / references of the various institutions to verify the correctness of the information as supplied.

…………………………………………… Signature	………………………………….. Date
…………………………………………… Position	…………………………………… Name of Bidder

DECLARATION OF INTEREST

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

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 and/or take an oath declaring his/her interest.
3. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid:

3.1 Full Name:
…………………………………………………………………………………………………

3.2 Identity Number:
………………………………………………………………………………………………..

3.3 Company Registration Number:
……………………………………………..…………………………………………………

3.4 Tax Reference Number:
………………………………………..………………………………………………………

3.5 VAT Registration Number:
…………………………………………..……………………………………………………

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

*** 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.

3.6.1 If so, furnish particulars.

…………………………………………………………………………………………………..

……………………………………………………………………………..……………………

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

3.7.1 If so, furnish particulars.

……………………………………………………………………………..……………………

………………………………………………………………………………………………….

3.8 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**

3.8.1 If so, furnish particulars.

……………………………………………………………………………..……………………

……………………………………………………………………………..……………………

3.9 Are you aware of any relationship (family, friend, other) between a 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**

3.9.1 If so, furnish particulars

……………………………………………………………………………..……………………

……………………………………………………………………………..……………………

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

3.10.1 If so, furnish particulars.

……………………………………………………………………………..……………………

……………………………………………………………………………..……………………

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

3.11.1 If so, 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

CERTIFICATION

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

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

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

…………………………………………. Signature	………………………………….. Date
…………………………………………. Position	………………………………… Name of Bidder

MAMUSA LOCAL MUNICIPALITY

CONFIRMATION OF OUTSTANDING MUNICIPAL RATES AND TAXES FOR THE BUSINESS ENTITY AND DIRECTORS/OWNERS/MEMBERS/PARTNERS

Section 38 (1) (d) (i) of the supply chain management of the Mamusa Local Municipality stipulates that the bidder or any of the directors does not owe rates or municipal services for more than (3) three months.
According to the supply chain management policy of the Mamusa Local Municipality a bid will be rejected if the municipal rates and taxes are in arrears for more than 3 months based on outcome of the verification carried out before the evaluation and adjudication of tender.
In order for Mamusa Local Municipality to abide by the above stated section, you are hereby requested to confirm that the following business entity and its directors/owners/members/partners do not owe rates and taxes to your municipality.

PLEASE COMPLETE THE FOLLOWING INFORMATION REQUIRED.

Business entity name : ---

Municipality where business is situated : ---

Municipal Account No. (Business entity) : ---

Name of Directors/Members/Partners/ Owners	Municipality where the Directors/Members/Partners/ Owners reside	Municipal Account Number

Mamusa Local Municipality

CONFIRMATION OF RATES AND TAXES BY MUNICIPALITY

I, --- in my capacity as------------------------------------
(Full names) (Designation)

of the municipality---hereby certifies that
(Name of Municipality)

- I have examined the municipal accounts of the above named person / business entity and i am satisfied that all his/her municipal accounts are up to date.
- I have examined the above named municipal accounts and have found that the said accounts to be in arrears.

Comments (if any)
……

……

……

………………………………………………………………………

Signature of official………………………………………………

MUNICIPAL STAMP

NB: 1. PLEASE ATTACH THE LATEST MUNICIPAL SERVICE CHARGES STATEMENT OF THE COMPANY AND ITS DIRECTORS / OWNERS / MEMBERS / PARTNERS.

2. FAILING TO COMPLETE THE REQUIRED INFORMATION SHALL INVALIDATE THE BID.

MAMUSA LOCAL MUNICIPALITY

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

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

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

---

1. GENERAL CONDITIONS

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

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

1.2 The value of this bid is estimated not to exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 system shall be applicable.

1.3 Preference points for this bid shall be awarded for:

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

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

		POINTS
1.3.1.1	**PRICE**	80
1.3.1.2	**B-BBEE STATUS LEVEL OF CONTRIBUTION**	20
	Total points for Price and B-BBEE must not exceed	**100**

1.4 Failure on the part of a bidder to fill in and/or to sign this form and submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS) or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or an Accounting Officer as contemplated in the Close Corporation Act (CCA) together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

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

2. DEFINITIONS

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

2.2 **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad -Based Black Economic Empowerment Act;

2.3 "**B-BBEE status level of contributor"** means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

2.4 **"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 services, works or goods, through price quotations, advertised competitive bidding processes or proposals;

2.5 **"Broad-Based Black Economic Empowerment Act"** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);

2.6 **"comparative price"** means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration;

2.7 **"consortium or joint venture"** 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;

2.8 **"contract"** means the agreement that results from the acceptance of a bid by an organ of state;

2.9 **"EME"** means any enterprise with an annual total revenue of R5 million or less;

2.10 **"Firm price"** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;

2.11 **"functionality"** means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;

2.12 **"non-firm prices"** means all prices other than "firm" prices;

2.13 **"person"** includes a juristic person;

2.14 **"rand value"** means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;

2.15 **"sub-contract"** means the primary contractor's assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;

2.16 **"total revenue"** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 9 February 2007;

2.17 **"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; and

2.18 **"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.

3. ADJUDICATION USING A POINT SYSTEM

3.1 The bidder obtaining the highest number of total points will be awarded the contract.

3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts.

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

3.4 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.

3.5 However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality.

3.6 Should two or more bids be equal in all respects; the award shall be decided by the drawing of lots.

4. POINTS AWARDED FOR PRICE

4.1 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 comparative price of bid under consideration

Pt = Comparative price of bid under consideration

Pmin = Comparative price of lowest acceptable bid

5. Points awarded for B-BBEE Status Level of Contribution

5.1 In terms of Regulation 5 (2) and 6 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	8	16
4	5	12
5	4	8

6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

5.2 Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates.

5.3 Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.

5.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.

5.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.

5.6 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.

5.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.

5.8 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

6. BID DECLARATION

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

7. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.3.1.2 AND 5.1

7.1 B-BBEE Status Level of Contribution: …………. = ……………(maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or an Accounting Officer as contemplated in the CCA)

8 SUB-CONTRACTING

8.1 Will any portion of the contract be sub-contracted? YES / NO (delete which is not applicable)

8.1.1 If yes, indicate:

(i) what percentage of the contract will be subcontracted?............……………….…%

(ii) the name of the sub-contractor? …………………………………………..………………………..

(iii) the B-BBEE status level of the sub-contractor? ……………..

(iv) whether the sub-contractor is an EME? YES / NO (delete which is not applicable)

9 DECLARATION WITH REGARD TO COMPANY/FIRM

9.1 Name of firm : ……………………………………………………………………………………

9.2 VAT registration number : ……………………………………………………………………..

9.3 Company registration number : ……………………………………………………………………..

9.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

……
…………………………………………………………………………………………………..……
……
……
……
…………………………………………………

9.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

9.7 MUNICIPAL INFORMATION

Municipality where business is situated
………………………………………………………………………..………………..

Registered Account Number ……………………………………………….

Stand Number ……………………………………………….

9.8 TOTAL NUMBER OF YEARS THE COMPANY/FIRM HAS BEEN IN BUSINESS? ……………………………………

9.9 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBEE status level of contribution indicated in paragraph 7 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

(i) The information furnished is true and correct;
(ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form.
(iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 7, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
(iv) If the B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
  (a) disqualify the person from the bidding process;
  (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  (d) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the audi alteram partem (hear the other side) rule has been applied; and

(e) forward the matter for criminal prosecution

WITNESSES:

1. ………………………………………

2. ………………………………………

……………………………………... SIGNATURE (S) OF BIDDER (S) DATE: ………………………………..

CONTRACT FORM - RENDERING OF SERVICES

THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SUCCESSFUL BIDDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SUCCESSFUL BIDDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.

PART 1 (TO BE FILLED IN BY THE BIDDER)

1. I hereby undertake to render all or any of the services described in the attached bidding documents to (name of the institution) ……………………………………. in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number………….……….. at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid.

2. The following documents shall be deemed to form and be read and construed as part of this agreement:

   (i) Bidding documents, *viz*
   - Invitation to bid;
   - Tax clearance certificate;
   - Pricing schedule(s);
   - Filled in task directive/proposal;
   - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
   - Declaration of interest;
   - Declaration of Bidder's past SCM practices;
   - Certificate of Independent Bid Determination;
   - Special Conditions of Contract;

   (ii) General Conditions of Contract; and

   (iii) Other (specify)

3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.

4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfilment of this contract.

5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.

6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT) …………………………….

CAPACITY …………………………….

SIGNATURE …………………………….

NAME OF FIRM …………………………….

DATE ………………………………

WITNESSES

1 ……….………………………

2 ……….………………………

DATE:………………………..

CONTRACT FORM - RENDERING OF SERVICES

PART 2 (TO BE FILLED IN BY THE PURCHASER)

1. I……………………………………………. in my capacity as…………………………..… accept your bid under reference number ………………dated………………………for the rendering of the service indicated hereunder and/or further specified in the annexure(s).

2. An official order indicating delivery instructions is forthcoming.

3. I undertake to make payment for the service rendered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice.

DESCRIPTION OF SERVICE	**PRICE (ALL APPLICABLE TAXES INCLUDED)**	**COMPLETION DATE**	**B-BBEE STATUS LEVEL OF CONTRIBUTION**	**MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)**

4. I confirm that I am duly authorized to sign this contract.

SIGNED AT ………………………………………ON………………………………..

NAME (PRINT) …………………………………….

SIGNATURE …………………………………….

OFFICIAL STAMP

WITNESSES

1. ……………………….

2. ……………………….

DATE ……………………….

MAMUSA LOCAL MUNICIPALITY

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

1. This Standard Bidding Document must form part of all bids invited.

2. This serves as a declaration 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 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. wilfully 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 as a company or person 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 *audi alteram partem* 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:		
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 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 ☐
4.5.1	If so, furnish particulars:		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)………………….……………………………………………
CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM TO BE 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.

…………………………………………. Name of Bidder	………………………………….. Signature
……………………… Position in the firm/Company	…………………………………… Date

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.

3 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.

4 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 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 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	Date
…………………………………………………	…………………………………
Position	Name of Bidder

THE NATIONAL TREASURY
Republic of South Africa

GOVERNMENT PROCUREMENT:
GENERAL CONDITIONS OF CONTRACT
July 2010

TABLE OF CLAUSES

General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:

1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.

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

1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.

1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.

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

1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.

1.7 “Day” means calendar day.

1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.

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

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

1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.

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

1.13 “Fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

1.14 “GCC” means the General Conditions of Contract.

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

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

1.17 “Local content” means that portion of the bidding price, which is not included in the imported content provided that local manufacture does take place.

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

1.19 “Order” means an official written order issued for the supply of goods or works or the rendering of a service.

1.20 “Project site,” where applicable, means the place indicated in bidding documents.

1.21 “Purchaser” means the organization purchasing the goods.

1.22 “Republic” means the Republic of South Africa.

1.23 “SCC” means the Special Conditions of Contract.

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

1.25 “Supplier” means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.

1.26 “Tort” means in breach of contract.

1.27 “Turnkey” means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.

1.28 “Written” or “in writing” means hand-written 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 (excluding professional services related to the building and construction industry), 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 goods, services or works.

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

3. General

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

3.2 Invitations to bid are usually published in locally distributed news media and on the municipality/municipal entity website.

4. Standards

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

5. Use of contract documents and information inspection

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

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

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

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

6. Patent Rights

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

6.2 When a supplier developed documentation / projects for the municipality / municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality / municipal entity.

7. Performance security

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

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

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

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

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

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 goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.

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

8.6 Goods 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 goods may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods 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 goods, which do comply with the requirements of the contract. Failing such removal the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods 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 22 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 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, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

10.1 Delivery of the goods and arrangements for shipping and clearance obligations, shall be made by the supplier in accordance with the terms specified in the contract.

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.

12. Transportation

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

13. Incidental Services

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

(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, 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.

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 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, 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.

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

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

16.4 Payment will be made in Rand unless otherwise stipulated.

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 or in the purchaser's request for bid validity extension, as the case may be.

18. Variation orders

18.1 In cases where the estimated value of the envisaged changes in purchase does not vary more than 15% of the total value of the original contract, the contractor may be instructed to deliver the goods or render the services as such. In cases of measurable quantities, the contractor may be approached to reduce the unit price, and such offers may be accepted provided that there is no escalation in price.

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 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 goods are required, or the supplier's services are not readily available.

21.4 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 22.2 without the application of penalties.

21.5 Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without cancelling the contract, be entitled to purchase goods 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 judgement of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

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

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

23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the supplier as having no objection and proceed with the restriction.

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

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

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

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

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

24. Antidumping and countervailing duties and rights

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

28. Limitation of Liability

28.1 Except in cases of criminal negligence or wilful 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.

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 SARS must have certified that the tax matters of the preferred bidder are in order.

32.4 No contract shall be concluded with any bidder whose municipal rates and taxes and municipal services charges are in arrears.

33. Transfer of contracts

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

34. Amendment of contracts

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

35. Prohibition of restrictive practices

35.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder(s) is / are or a contractor(s) was / were involved in collusive bidding.

35.2 If a bidder(s) or contractor(s) based on reasonable grounds or evidence obtained by the purchaser has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No 89 0f 1998.

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

P.O. Box 5, Schweizer Reneke, 2780, Physical Address: 28 Schweizer Street, Schweizer Reneke, 2780, Tel: (053) 963 1331,

OFFICE OF THE MUNICIPAL MANAGER

04/08/2021

TO WHOM IT MAY CONCERN: MAMUSA LOCAL MUNICIPALITY

CONFIRMATION OF BANKING DETAILS

ACCOUNT NAME: MAMUSA LOCAL MUNICIPALITY

ACCOUNT NUMBER: 53630018381

BRANCH: SCHWEIZER-RENEKE

BRANCH CODE: 250-655

ACCOUNT TYPE: PUBLIC SECTOR MANAGED ACCOUNT