



SOUTH AFRICAN LOCAL  
GOVERNMENT ASSOCIATION

# SALGA

*Inspiring service delivery*

**APPOINTMENT OF A SERVICE PROVIDER TO ASSIST SALGA IN ANALYZING  
THE CURRENT LEVELS OF DEBT OWED BY HOUSEHOLDS TO  
MUNICIPALITIES AND RECOMMENDATIONS ON  
INTERVENTIONS/STRATEGIES TO BE CONSIDERED IN WRITING OFF  
HISTORICAL DEBT OVER 90 DAYS OLD**

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**Bid: SALGA 101/2021**

**Closing date and time: 08 November 2021 at 11:00 am**

**Bid Validity Period: 120 Days**

**TENDER BOX ADDRESS:**

**Menlyn Corporate Park  
c/o Garsfontein and Corobay Avenue  
Waterkloof Glen**

**TEL: (012) 369 8000**

**EMAIL: [scm@salga.org.za](mailto:scm@salga.org.za)**

**WEBSITE: [www.salga.org.za](http://www.salga.org.za)**

## 1. INTRODUCTION

The South African Local Government Association (SALGA) is a public entity established by the Organised Local Government Act (Act 52 of 1997) to assist in the comprehensive transformation of local government in South Africa. SALGA is managed within the framework of the Public Finance Management Act (Act 1 of 1999) and is listed as a schedule 3A public entity. Its main objectives are to:

- Represent, promote and protect the interests of local government;
- Transform local government to enable it to fulfil its developmental role;
- Enhance the role and status of its members as provincial representatives and consultative bodies of local government;
- Enhance the role and status of municipalities;
- Be recognised by national and provincial governments to be the representative and consultative body in respect of all matters concerning local government and to make representations to both provincial and national governments in respect of any matter concerning local government;
- Ensure the full participation of women in organised local government;
- Be the National Employers' Association representing all municipal members and, by agreement, associate members.

## 2. SALGA MANDATE

Developmental Local Government is an essential component of the machinery of government. In accordance with its constitutional mandate, SALGA is obliged to transform the local government sector to one that has the required capacity to make a meaningful contribution to poverty alleviation, economic development and all socio-economic opportunities that the state has geared itself to provide for its people. SALGA also serves as the representative voice of all 257 municipalities in the country. For the past 20 years, since its establishment, SALGA has endeavoured to bring focus to its mandate of supporting local government transformation in a complex environment, characterised by a highly diverse and diffuse membership-base of municipalities. In terms of its amended Constitution, SALGA is a unitary body that consists of a national association and nine provincial offices. Its mandate rests on six primary pillars:

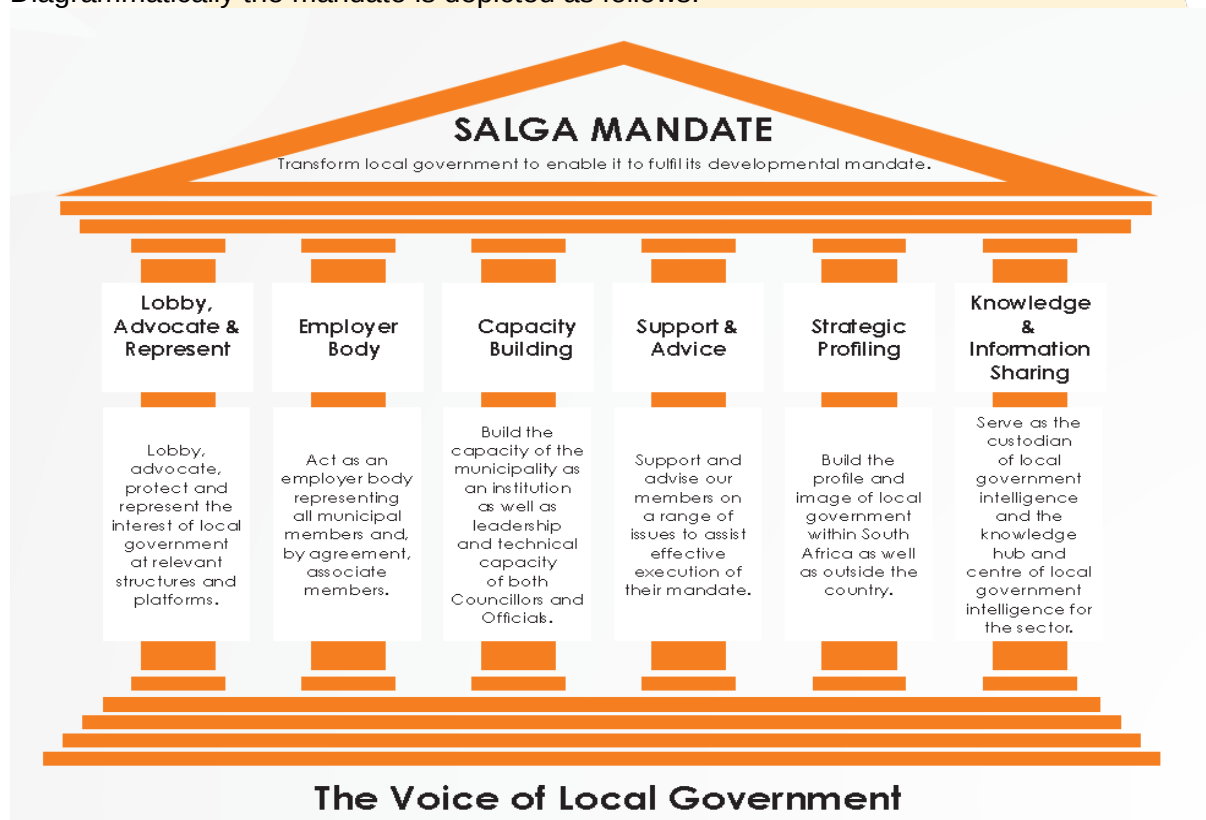
- (1) **Representation, Advocacy and Lobbying** refers to representing the interests of members in legislatures and other policy making and oversight structures. It also refers to engaging with various stakeholders, public debates etc. in the interest of Local Government.
- (2) **Employer Body** refers to being an effective employer representative for members. Employer representation is carried out through collective bargaining (in terms of the Labour Relations Act) in various structures including but not limited to those established in the South African Local Government Bargaining Council.
- (3) **Capacity Building** refers to facilitating capacity building initiatives through among others; representing member interests in the Local Government Sector Education

## SALGA 101/2021: APPOINTMENT OF A SERVICE PROVIDER TO ASSIST SALGA IN ANALYZING THE CURRENT LEVELS OF DEBT OWED TO MUNICIPALITIES AND RECOMMENDATIONS ON INTERVENTIONS OR STRATEGIES TO BE CONSIDERED IN WRITING OFF HISTORICAL DEBT OVER 90 DAYS

Authority (LGSETA). SALGA strives to facilitate a coherent, well-co-ordinated capacity building programme for municipal councillors and officials.

- (4) **Support and Advice** refers to the provision of tools and services that enable municipalities to understand and interpret trends, policies and legislation affecting Local Government and to implement the said policies and plans
- (5) **Strategic Profiling** of Local Government refers to enhancing the profile and image of local government as an important and credible agent for the delivery of services. Profiling focuses within South Africa, the African continent and the rest of the world.
- (6) **Knowledge and Information Sharing** refers to building and sharing a comprehensive hub of Local Government knowledge and intelligence that will enable informed delivery of other SALGA mandates. The knowledge hub is also a useful reference point for all who seek Local Government information.

Diagrammatically the mandate is depicted as follows:



### 3. PURPOSE OF THIS REQUEST

#### Background and Context to the Research

Local government is a key component of South Africa's three-sphere system of governance. Municipalities are constitutionally mandated to provide basic services to local

communities. Basic services include electricity, refuse removal, water and sanitation. Such services are pivotal in sustaining and developing local communities and regional economies.

In order to fund such key basic services, municipalities are constitutionally assigned a range of own revenue raising instruments. This includes the imposition of a range of taxes (property tax, surcharges and other local taxes), user charges for services rendered by municipalities and a range of other local licenses and fees. Although local government in South Africa also receives intergovernmental transfers from national and, to a lesser extent, provincial government, own revenue instruments remain a critical component of the municipal financing framework in the support of sustainable service delivery.

The design of South Africa's local government fiscal system places an emphasis on revenues generated locally to fund the bulk of municipalities' service delivery obligations. Therefore, it is important that revenues are enhanced to ensure a sustained delivery of municipal basic services. The non-payment by residential and non-residential customers for municipal services and taxes is known as municipal consumer debt and is defined as, "the non-payment of property rates, fees/charges for services provided by municipalities and various other financial obligations to municipalities" (FFC, 2011:45). Municipal consumer debt poses a potential challenge that threatens the fiscal and financial position of municipalities and can ultimately impact on the sustainable delivery of services.

There are cases where a municipality may not be able to recover amounts owing to them. These types of debts are referred to as irrecoverable or bad debts. Sound accounting procedure requires that when an entity (in this case municipality), realises that it is unlikely to recover amounts owing in respect of water/electricity/property rates, it should write off the bad debt from its books. Currently in South Africa, municipalities determine when a debt is considered bad. Part of the challenge is that at times municipalities do not write off these irrecoverable amounts, thereby artificially inflating the extent of non-payment (FFC, 2011). One of the reasons bad debt cannot simply be written off is due to municipalities not undertaking the full credit control processes required to recover such debt.

Whereas one would want to enforce correct accounting procedure and write off irrecoverable debts, there are also moral hazard considerations that need to be factored in when writing off debts too soon. In this sense, the aspects that need to be considered when writing off irrecoverable amounts too quickly, are akin to what policy makers need to consider when undertaking amnesty programmes. The provision of amnesty is a strategy employed by governments where, for a limited period, a predetermined group of taxpayers pay a defined amount in exchange for forgiveness for non-payment. Extending this offer to taxpayers offers the state the ability to bring a short-term infusion of revenue into state coffers. There are however disadvantages to utilising this strategy, namely:

- It can undermine tax morale as honest taxpayers may feel upset;
- It can signal a weak government that is unable to enforce payment;

- Anticipation of further write---offs can affect future compliance; and
- Costs associated with behaving dishonestly decrease and guilt is removed, thus making non-payment acceptable (Torgler, et al, 2003).

### **Key Points Emerging from Analysis**

The growing levels of household consumer debt per year suggest that poverty and affordability is likely progressively putting pressure on these customers.

Household customers are most susceptible to economic downturns, suggesting that municipalities are likely to experience higher consumer debt levels when the local economy is in recession. The current COVID-19 pandemic has exacerbated the situation where due to increased unemployment, it has affected the household's ability to pay for their municipal services. National government has considered the effect of this and allowed a 3 months non-payment of municipal services between March and June 2020, but this did not do much to ease the pressure on households and also resulted in municipalities under-recovering on the current accounts and experiencing an increase in the outstanding debtors.

Municipalities are failing to recover outstanding debts, also add interest on the outstanding accounts and fail to follow prudent credit control processes to write-off such debts. This is resulting in debt accumulating in municipal books, thus artificially inflating consumer debt levels. The recent National Treasury Section 71 reports publication for the third quarter March 2021 shows the total debts owing to municipalities standing at R230 billion and households owing R167 billion. It is well accepted that not all debt will be recoverable and the realistically recoverable amount is R36 billion because most of the debt is over 180 days. Therefore there is an need to decipher these long outstanding debts to determine recoverability and potential write off of prescribed debt. It is a well-considered view that not all R190 billion will be recoverable, but a third of this amount be considered as a target for the service provider to be appointed. The service provider will also be remunerated on a performance based system whereby commission will be paid upon reaching certain targets.

It is proposed that the amount recovered per municipality less the commission paid to the service provider be ring-fenced and be used by the particular municipality to invest in new technologies like smart metering and improved billing system for revenue enhancement,

## **4. SCOPE OF WORK**

### **4.1 BIDDER REQUIREMENTS**

Given the background set out above, SALGA has identified an urgent need to ensure proper insight into the factors relevant to determining the current levels of debt owed by households to municipalities. Investigate across different categories of municipalities, the non-payment by

households for municipal services is most prominent. SALGA therefore requires an independent Service Provider to assist in the below mentioned activities:

1. Analyze the consolidated debtors age analysis reports published by National Treasury for the past 5 years.
2. Quantify the quantum by which debtors increase per customer and age category and classify the amounts accordingly.
3. Quantify the amounts which are 90 days and older.
4. Obtain access to the billing information from municipalities per category of municipalities.
5. Categorize the amounts owing to municipalities as per 3 above.
6. Analyze the amount of debt owing over 90 days by revenue source.
7. Distinguish between prescribed and non-prescribed debt.
8. Determine how much is recoverable from non-prescribed debt.
9. Assess the potential impact of introducing such interventions/strategies on relevant stakeholders including but not limited to Consumers, Department of Energy, Department of Water Affairs, Eskom, Water Boards, NERSA and other role players.
10. Assess the impact of such interventions/strategies on the duties of the Accounting officer as set out in the legislation governing municipalities including but not limited to the Municipal Finance Management Act, Municipal Systems Act and Municipal Structures Act.
11. Analyze the credit control policies of a sample of municipalities and come out with one consolidated policy that will inform the write off policy.
12. Package lessons from previous campaigns on the payment for municipal or public sector services and highlight successes and failures of such campaigns.
13. Conceptualize a National campaign around the need for payment for the use of municipal services including a high level strategy on which the campaign will be based, the operationalizing of such a strategy through a roll out plan, the identification of all relevant stakeholders (including the media and social mobilization activities by councilors) and their responsibilities, timeframes for implementation, key deliverables and measurements of success as well as projected costing.

### **Proposed Methodology (Project Phases)**

The methodology proposed aims to answer the questions set out above in three parts:

- Phase 1 will constitute the collection and analysis of existing research and data and consultation with other stakeholders affected by the municipal debt. i.e. ESKOM, Water Boards and COGTA.

### **Phase 1 Output**

A preliminary report of findings from Phase 1 including the dataset of information received from National Treasury and the billing systems of municipalities. That will include the quantum of debts over 90 days, the categorisation thereof according to the customer and the revenue source,

- Phase 2 will involve profiling of debts to determine recoverability and a quantum of recoverability.

### **Phase 2 Output**

Service Provider to provide information on the amount of prescribed debt and how much can reasonably be considered as recoverable and the strategies to employ to pursue the recoverable debts.

- Phase 3 will entail the consolidation of findings across Phases 1 and 2, and the presentation of recommendations in a final report.

### **Phase 3 Output**

A consolidated final report with detailing recommendations, how much will be recoverable and how much will be written off per municipality. The service provider will be paid on a performance basis.

### **Summary of Deliverables and timeframes**

It is proposed that work will be delivered according to the following anticipated timeframes dependent on appointment date:

#### **Deliverable Week starting**

- Phase 1 to be completed by 30 November 2021.
- Phase 2 to be completed by 28 February 2022.
- Phase 3 to be completed by 30 March 2022.

## **5. CONTENT OF PROPOSAL**

*(Information to be submitted by the bidders)*

### **5.1 The proposal should include**

- 5.1.1. All relevant perceived strengths and weaknesses of the firm bidding for the service, e.g. similar previous experience, in-house skills, etc; providing information which will assist SALGA to assess its capabilities, competitive advantages, etc.;
- 5.1.2. The summary of the bidder's mission statement, the vision statement, values and long term strategies and objectives as comprehensively as possible;
- 5.1.3. A list of references of previous and current appointments relevant to the required services; examples of such services capabilities and experience and more specifically the number and size of organisations where service rendered in specific sectors in government and areas of expertise.

- 5.1.4. An organogram or list of partners, managers, specialists, together with the *curriculum vitae* of the staff who will be available for the duration of the work; any staff changes regarding staff allocated to SALGA must be done in consultation with the Project Manager representing the organisation. The successful bidder should provide experienced specialists relevant to the required services.
- 5.1.5. A breakdown of the project costs VAT inclusive, per category as required for services rendered. Expenditure incurred without the prior approval of SALGA will not be reimbursed. An analysis of costs must be given to cover the full amount, and where possible, costs should be linked with specific tasks to be undertaken. All other incidental costs should be included in the budget breakdown.
- 5.1.6. In so far as is possible, a comprehensive budget, showing the service of activities proposed, with charge-out rates and budgeted hours per activity, detailing all assumptions made in arriving at a proposed budget, including all cost factors such as traveling.
- 5.1.6.1 The rates of remuneration will be subject to negotiation, not exceeding the applicable rates as contained in the guidelines of The National Treasury Instruction Practice Note No.2 of 2016/17 paragraph 4.7.
- 5.1.7. How the bidder proposes to provide governance assistance to SALGA; and
- 5.1.8. In so far as is possible, provide an overview of the methodology to be applied.
- 5.1.9. How the bidder will ensure that there is transfer of skills to the SALGA team.

## **5.2 APPOINTMENT, COMMENCEMENT AND DURATION**

The appointed bidder is anticipated to commence the work upon appointment for a duration of 7 months and end on the completion of the project.

## **5.3 DESCRIPTION AND EXTENT OF WORK (PROJECT MANAGEMENT)**

### **5.3.1. Performing of assignments**

Assignments are to be performed in accordance with the industry/profession standards as well as the terms of reference. All reports will be reviewed by the relevant Project Manager representing the organisation.

All working papers and reports and documents will become the property of SALGA.

The successful bidder shall work with the Directorate of SALGA on the planning of various phases of the service activities, and must be prepared to regularly report the progress to the relevant Project Manager.

#### **5.3.2 Timing of assignments**

The performance of this assignment shall be in accordance with the approved plan by the Project Committee. The final responsibility of approving the scope and extent of the work resides with the relevant Project Manager.

#### **5.3.3 Quality assurance reviews of the work**

The bidder shall ensure that all work conforms to the required quality assurance standards as set by SALGA.

#### **5.3.4 Monitoring progress of assignments**

On a mutually agreed basis, the bidder shall meet with the Project Manager to report progress of the work, and at the Project Committee meetings.

#### **5.3.5 Payments**

SALGA undertakes to pay out within a reasonable time period all valid claims for work done to its satisfaction upon presentation of a substantiated claim. No payment will be made on outstanding information not submitted by the bidder.

The parties shall, upon appointment of the bidder, sign a service level agreement to govern their business relationship.

Acceptance of any bid does not mean that work on an uninterrupted basis is guaranteed for the duration of the contract.

#### **5.3.6 Expenditure incurred by the bidder**

The SALGA will not be held responsible for any costs incurred by the bidder in the preparation and submission of the bid.

## **6. INSTRUCTION TO BIDDERS**

### **6.1 General Instructions**

This document constitutes a Request for Proposal (RFP), which specifies SALGA's requirements to investigate reasons for the current levels of debt owed by households to municipalities and recommendations on interventions/strategies to be considered in dealing with historical and current household debt. The information contained herein provides a format to facilitate bidder's responses to this RFP. It is important that the format be followed closely to help maintain the decision making timetable. Responses must be presented in the same order as the requirements appear, section by section, and numbered accordingly, with acknowledgement of all clauses. All pricing information should be fully disclosed with all

charges clearly defined, i.e. a per unit fee based on activity. Please feel free to address any other potential services not specifically mentioned in this RFP that may be of benefit to the National Executive Committee (NEC) of SALGA which is the organisation's accounting authority.

## **6.2 Objectives**

SALGA's objective in the call for proposals for **APPOINTMENT OF A SERVICE PROVIDER TO ASSIST SALGA IN INVESTIGATING REASONS FOR THE CURRENT LEVELS OF DEBT OWED BY HOUSEHOLDS TO MUNICIPALITIES AND RECOMMENDATIONS ON INTERVENTIONS/STRATEGIES TO BE CONSIDERED IN WRITING OFF HISTORICAL DEBT OWING OVER 90 DAYS.**

## **6.3 Terms of Contract**

The term of the contract shall be regulated by the Service Level Agreement (SLA) to be concluded with the winning bidder. It is anticipated that the term of the contract shall be for the duration of the assignment and shall expire upon fulfilment of the scope of work. The contract may be extended by mutual agreement. Thirty (30) days written notice must be given if either party wishes to terminate the agreement prior to the contract's expiry date.

## **6.4 Questions during Proposal Process**

Any enquiries regarding this RFP should be directed to **Nokwanda Msomi**, Senior Buyer: SCM at [scm@salga.org.za](mailto:scm@salga.org.za), located at the SALGA National Office – 012 369 8000. Questions will only be taken up to four days prior the closing date.

Bidders finding apparent discrepancies or omissions in the RFP should notify Senior Manager: Supply Chain Management at [lmathe@salga.org.za](mailto:lmathe@salga.org.za) at once. Bidders may during the bidding period, be advised by Addenda, of any additions, clarifications, deletions or alterations to these specifications. All such changes should be covered by the bidder's proposal. Information used in the preparation of a proposal from other than this RFP and any written addenda (considered as the proposal documents) will not be considered as valid or official.

No further addenda will be issued by SALGA after 12:00 noon, four business days prior to RFP closing without providing an extension of time.

## **6.5 Submission of Proposal**

Submit three copies of the proposal, in sealed opaque envelopes and clearly marked RFP Response – Request for Proposals for the **APPOINTMENT OF A SERVICE PROVIDER TO ASSIST SALGA IN INVESTIGATING REASONS FOR THE CURRENT LEVELS OF DEBT OWED BY HOUSEHOLDS TO MUNICIPALITIES AND RECOMMENDATIONS ON INTERVENTIONS/STRATEGIES TO BE CONSIDERED IN WRITING OFF HISTORICAL DEBT OWING OVER 90 DAYS.** The submission should include an electronic one by means of a USB device or memory stick.

RFP addressed to:

**Physical address:**

South African Local Government Association (SALGA)  
Menlyn Corporate Park  
Block B; 175 Corobay Avenue  
corner Garsfontein & Corobay Avenue  
Waterkloof Glen ext. 11  
PRETORIA  
0181

**Attention: Ms Nokwanda Msomi**  
**Senior Buyer: SCM**

Proposals will be received at the reception desk on the first floor, during regular business hours only, up to 16H30 on the 08 November 2021, at 12:00 pm Late submissions will not be accepted.

Bidders remain solely responsible for the method of conveyance of their proposal to the receiving point. Fax transmissions or any other electronic communications are not acceptable.

SALGA will not be responsible for any costs incurred by the bidders associated with the preparation of responses to the RFP.

Proposals received past the time stated above will not be considered, and will be returned to the bidder unopened.

Proposals will not be opened in public.

All proposals will remain in force and will be irrevocable for **hundred and twenty days** after the proposal closing.

Proposals shall be stipulated sums without escalator clauses or other qualifications.

## **7. Contract**

### **7.1 Contract Award**

SALGA reserves the right to accept any proposal submitted, or reject all proposals.

Any proposal submitted, that is not in complete compliance with the requirements of the proposal documents may be accepted or disqualified, at the option of SALGA.

Please outline in your proposal the assistance your institution is prepared to provide in order to meet the estimated contract duration period for the full implementation of the scope of work.

## **7.2 Termination of Contract**

SALGA reserves the right to terminate the agreement with 30 days written notice to the winning bidder subject to the following:

- 7.2.1** The winning bidder fails to perform in accordance with the specified service requirements as set out in the RFP;
- 7.2.2** The winning bidder fails to provide project deliverables without written explanation;
- 7.2.3** The winning bidder otherwise violates the provisions of the RFP to a substantial degree.

## **7.3 Liability**

SALGA will not be held liable for any actions of the winning bidder and/or its employees.

## **8 CONDITIONS OF BID (FAILURE TO MEET ANY OF THE REQUIREMENTS BELOW MAY RENDER YOUR BID PROPOSAL NON-RESPONSIVE)**

- 8.1.** The requirement for content of the project proposal section below outlines the information that must be included in bid offers. **Failure to provide all or part of the information may result in your bid being excluded from the evaluation process.**
- 8.2.** A contract will be signed with the appointed Bidder.
- 8.3.** The Bidder will be required to sign confidentiality and indemnity agreements with SALGA.
- 8.4.** SALGA may at its own discretion vary an instruction to include more work.
- 8.5.** Failure to comply with any condition of this request for a proposal will invalidate respective tender proposal
- 8.6.** In the event that any conflict of interest is discovered during the assignment, SALGA reserves the right to summarily cancel the agreement and demand that all the information, documents and property of SALGA be returned forthwith.
- 8.7.** SALGA reserves the right to request new or additional information regarding each bidder and any individual or other persons associated with its project proposal.
- 8.8.** Bidders shall not make available or disclose details pertaining to their project proposal with anyone not specifically involved, unless authorized to do so by SALGA.
- 8.9.** Bidders shall not issue any press release, social media or other public announcement pertaining to the details of their project without the prior written approval of SALGA.
- 8.10.** Bidders are required to declare any conflict of interest they may have in the transaction for which the bid is submitted or any potential conflict of interest. SALGA reserves the right not to consider further any bid where such a conflict of interest exists or where such potential conflict of interest may arise.
- 8.11.** The bid offers and proposals should be valid and open for acceptance by SALGA for a period of 120 days from the date of submission.
- 8.12.** Bidders are advised that submission of a project proposal gives rise to no contractual obligations on the part of SALGA.
- 8.13.** Disputes that may arise between SALGA and a bidder must be settled by means of mutual consultation, mediation (with or without legal representation) or, when unsuccessful, in a South African court of law.

- 8.14. In addition to adherence to the specific terms and conditions of proposals, provided in this document, the bidder shall be bound by the provisions of the General Conditions of Contract attached hereto, an originally signed copy of which must be submitted together with all other bid documentation.
- 8.15. All returnable bid documents must be completed in full and submitted together with the bidder's proposal.
- 8.16. SALGA will not be liable for costs incurred during the site visits or any other cost related to the submission of the bid.
- 8.17. Completion of the Standard Bidding Documents stated herein below is **mandatory**, failure to do so **may** render your bid offer invalid.

#### **8.18. Standard Bidding Forms**

##### **18.8.1. Preference Points Claim form**

Form SBD 6.1 - Bidders must complete this document in full, special attention must be given to section 8 and 9. They must be completed on the original and signed.

##### **18.8.2. Declaration of Interest**

Form SBD 4 - Bidders must complete this document in full. They must be completed on the original and signed.

##### **18.8.3. Declaration of past Supply Chain Management Practice**

Form SBD 8 - Bidders must complete this document in full. They must be completed on the original and signed.

##### **18.8.4. Certificate of Independent Bid Determination**

Form SBD 9 - Bidders must complete this document in full. They must be completed on the original and signed.

## **9. EVALUATION**

The following evaluation method will be used:

- After the closing date of the bid invitation, an appointed evaluation committee of SALGA officials and possibly other external parties will evaluate the proposals of the bidders.
- The committee will individually evaluate each of the bid proposals received against the appointed criteria as provided for in Preferential Procurement Regulations, 2017

All proposals submitted will be evaluated on three categories:

- Functionality (technical content)
- Price
- B-BBEE status level of contribution

Bids will be evaluated in accordance with the Preferential Procurement Regulations, 2017, using the 80/20 split. The 80/20 preference points system applies for acquisition of goods or services for Rand value equal or above R30 000 and up to R50 million.

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Firstly, the assessment of functionality will be done in terms of the evaluation criteria and the minimum threshold value of 70 points. A bid will be disqualified if it fails to meet the minimum threshold value for functionality as per the bid invitation.

A Bid Evaluation Committee will review and evaluate the proposals. A maximum of four (4) bidders may be invited to present their proposal for the purpose of providing clarification and answers to questions by the committee. If presentations are necessary they will be made on the date, time and location to be confirmed.

Thereafter, only the qualifying bids after the presentation will be evaluated in terms of the 80/20 preference points systems, 80 points will be used for price only and the 20 points will be used for B-BBEE Status Level of Contribution. The price points will be calculated in accordance with the formula prescribed in Regulation 6. (1) of the Preferential Procurement Regulations, 2017.

A recommendation for the awarding of the contract will be made at the meeting of the Bid Adjudication Committee to be confirmed, where applicable.

For functionality, the following criteria will be applicable and the maximum value of points breakdown for each criterion using these scale level descriptors:

| SCALE LEVEL DESCRIPTIONS                                       | SCALE |
|----------------------------------------------------------------|-------|
| No relevant response or information given to enable evaluation | 0     |
| <b>Very poor</b> response based on expected standard           | 1     |
| <b>Poor</b> response based on expected standard                | 2     |
| <b>Average</b> response based on expected standard             | 3     |
| <b>Good</b> response based on expected standard                | 4     |
| <b>Excellent</b> response based on expected standard           | 5     |

Points Breakdown:

| CRITERIA FOR FUNCTIONALITY                                                                                                                                                             | BREAKDOWN OF POINTS                                                                                                                                                                                      | WEIGHTS | EVIDENCE                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------------------------------------------------------------|
| Understanding of the brief as well as submission of supporting documentation (Written track record in data collection, and sampling, detail project plan and administrative capacity). | 0= Lack of understanding of key deliverables and non-submission of documentation<br><br>3= Understanding of key deliverables and submission of documentation<br><br>5= Understanding of key deliverables | 30      | The service provider must submit the proof in the form of the work done |

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| CRITERIA FOR FUNCTIONALITY                                                                  | BREAKDOWN OF POINTS                                                                                                                                                                                                                                                                                                                      | WEIGHTS | EVIDENCE                                                                                                                                                                                      |
|---------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                             | and submission of all documentation as per terms of reference.                                                                                                                                                                                                                                                                           |         |                                                                                                                                                                                               |
| Ability to collect data from National Treasury and municipalities                           | <p>0= Lack of understanding of key deliverables and non-submission of documentation</p> <p>3= Understanding of key deliverables and submission of documentation</p> <p>5= Understanding of key deliverables and submission of all documentation as per terms of reference.</p>                                                           | 20      | The service provider must submit the proof of the work done previously                                                                                                                        |
| Approach and methodology to analyse data collected and categorize it according to the brief | <p>0= no submission of project plan and approach</p> <p>3= Submission of project plan, management plan and methodology approach in line with scope of work</p> <p>5= Submission of project plan &amp; management plan (that outlines the details of all the elements of seminar development to close out) in line with scope of work</p> | 20      | Submission of a proposal detailing the understanding of the assignment, brief literature review, detailed methodology and a detailed research process, budget, management plan and work plan. |
| A proven written track record in analysing the                                              | 0= none; 1=one letter; 2= two                                                                                                                                                                                                                                                                                                            | 10      | Written reference letters or list of                                                                                                                                                          |

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| CRITERIA FOR FUNCTIONALITY                                                                                                                                         | BREAKDOWN OF POINTS                                                                                                                                        | WEIGHTS    | EVIDENCE                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| debtor's book and data cleansing. The service provider must submit the proof in the form of the appointment letters and list of contracts with contactable details | letters, 3= three letters, 4= four letters and 5= five letters.                                                                                            |            | contactable details (email addresses, Valid Telephone/cell phone numbers from each of the clients. Please include name of company, contact name, and contact details. |
| Administrative capacity ( including office space, equipment and personnel)                                                                                         | 0= none, 3= Capacity (office space, equipment and personnel). 5= Office space (lease agreement), equipment and personnel (CVs and proof of qualifications) | 20         | CVs of personnel                                                                                                                                                      |
| <b>Total for functionality</b>                                                                                                                                     |                                                                                                                                                            | <b>100</b> |                                                                                                                                                                       |
| <b>Threshold</b>                                                                                                                                                   |                                                                                                                                                            | <b>70</b>  |                                                                                                                                                                       |

Bidders who score 70 (average) points and above will be considered in phase 2 of the evaluation.

The 80/20 points system will be used when evaluating this Request for Proposal. Eighty points Will be awarded for pricing and the remaining 20 points will be allocated in terms of Regulation 6(2) and 6(3) of the Preferential Procurement Regulations, 2017, 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 (80/20 system) |
|------------------------------------|---------------------------------|
| 1                                  | 20                              |
| 2                                  | 18                              |
| 3                                  | 14                              |
| 4                                  | 12                              |
| 5                                  | 8                               |
| 6                                  | 6                               |
| 7                                  | 4                               |
| 8                                  | 2                               |
| Non-compliant contributor          | 0                               |

**SALGA 101/2021: APPOINTMENT OF A SERVICE PROVIDER TO ASSIST SALGA IN ANALYZING THE CURRENT LEVELS OF DEBT OWED TO MUNICIPALITIES AND RECOMMENDATIONS ON INTERVENTIONS OR STRATEGIES TO BE CONSIDERED IN WRITING OFF HISTORICAL DEBT OVER 90 DAYS**

Phase 2 of evaluation will include the sum of the two criterions below:

| CRITERIA                            | WEIGHT |
|-------------------------------------|--------|
| Price                               | 80     |
| B-BBEE status level of contribution | 20     |
| TOTAL                               | 100    |

Bidders must submit proof of their B-BBEE status level of contributor.

A bidder failing to submit proof of B-BBEE status level of contribution or is a non-compliant contributor to B-BBEE may not be disqualified but may only score points out of 80 for price, and score 0 points out of 20 for B-BBEE.

## 9 GENERAL CONDITIONS

The following should be noted by interested parties:

- Intellectual property and ownership of all materials and products developed in the execution of the contract will be vested in SALGA.
- Materials and products may not be made available to any unauthorized person or institution or sold for profit without prior written consent from SALGA.
- On completion or termination of the agreement, all materials and products must be handed over to SALGA.
- No information concerning the tender or award of the tender may be made available by the bidder to other parties without prior consultation and written approval from SALGA.
- SALGA may at its own discretion vary this instruction to include more scope / work or to exclude work/service areas. In the case of the latter, the bidder shall not be entitled to claim for any work not required and may engage SALGA on the pricing of the additional work/ service proposed.
- All copyright and intellectual property rights that may result as a consequence of the work to be performed shall reside with SALGA and the bidder shall be required to sign an agreement of confidentiality.
- SALGA may dictate the framework in which documents (policies, plans, report etc.) shall be submitted; however the bidder should be able to submit a proposal on the layout of his/her choice for consideration by SALGA.
- SALGAs (general conditions of bid, contract and order) shall be applicable to this bid.
- The bidder shall be required to conclude and sign a Service Level Agreement (SLA) after the appointment.
- SALGA reserves the right not to award the bid to any bidder at its own discretion.

## PART A INVITATION TO BID

|                                                                                                                                                                    |                                                                                                                                                                                                                                                        |                                 |                                                                                    |               |                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------------------------------|
| <b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION (SALGA)</b>                                                    |                                                                                                                                                                                                                                                        |                                 |                                                                                    |               |                                                                                             |
| BID NUMBER:                                                                                                                                                        | SALGA/101/2021                                                                                                                                                                                                                                         | CLOSING DATE:                   | 08 NOVEMBER 2021                                                                   | CLOSING TIME: | 11:00                                                                                       |
| DESCRIPTION                                                                                                                                                        | <b>APPOINTMENT OF A SERVICE PROVIDER TO ASSIST SALGA IN ANALYZING THE CURRENT LEVELS OF DEBT OWED BY HOUSEHOLDS TO MUNICIPALITIES AND RECOMMENDATIONS ON INTERVENTIONS/STRATEGIES TO BE CONSIDERED IN WRITING OFF HISTORICAL DEBT OVER 90 DAYS OLD</b> |                                 |                                                                                    |               |                                                                                             |
| <b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</b>                                                                  |                                                                                                                                                                                                                                                        |                                 |                                                                                    |               |                                                                                             |
| BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX<br>SITUATED AT (STREET ADDRESS)                                                                             |                                                                                                                                                                                                                                                        |                                 |                                                                                    |               |                                                                                             |
| <b>SALGA NATIONAL OFFICE, FIRST FLOOR, BLOCK B, MENLYN CORPORATE PARK, C/O GARSFONTEIN AND COROBAY AVENUE, WATERKLOOF GLEN</b>                                     |                                                                                                                                                                                                                                                        |                                 |                                                                                    |               |                                                                                             |
|                                                                                                                                                                    |                                                                                                                                                                                                                                                        |                                 |                                                                                    |               |                                                                                             |
|                                                                                                                                                                    |                                                                                                                                                                                                                                                        |                                 |                                                                                    |               |                                                                                             |
|                                                                                                                                                                    |                                                                                                                                                                                                                                                        |                                 |                                                                                    |               |                                                                                             |
| <b>SUPPLIER INFORMATION</b>                                                                                                                                        |                                                                                                                                                                                                                                                        |                                 |                                                                                    |               |                                                                                             |
| NAME OF BIDDER                                                                                                                                                     |                                                                                                                                                                                                                                                        |                                 |                                                                                    |               |                                                                                             |
| POSTAL ADDRESS                                                                                                                                                     |                                                                                                                                                                                                                                                        |                                 |                                                                                    |               |                                                                                             |
| STREET ADDRESS                                                                                                                                                     |                                                                                                                                                                                                                                                        |                                 |                                                                                    |               |                                                                                             |
| TELEPHONE NUMBER                                                                                                                                                   | CODE                                                                                                                                                                                                                                                   |                                 | NUMBER                                                                             |               |                                                                                             |
| CELLPHONE NUMBER                                                                                                                                                   |                                                                                                                                                                                                                                                        |                                 |                                                                                    |               |                                                                                             |
| FACSIMILE NUMBER                                                                                                                                                   | CODE                                                                                                                                                                                                                                                   |                                 | NUMBER                                                                             |               |                                                                                             |
| E-MAIL ADDRESS                                                                                                                                                     |                                                                                                                                                                                                                                                        |                                 |                                                                                    |               |                                                                                             |
| VAT REGISTRATION NUMBER                                                                                                                                            |                                                                                                                                                                                                                                                        |                                 |                                                                                    |               |                                                                                             |
|                                                                                                                                                                    |                                                                                                                                                                                                                                                        |                                 |                                                                                    |               |                                                                                             |
|                                                                                                                                                                    |                                                                                                                                                                                                                                                        | TCS PIN:                        |                                                                                    | OR            | CSD No:                                                                                     |
| B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]                                                                                                 |                                                                                                                                                                                                                                                        | <input type="checkbox"/> Yes    | B-BBEE STATUS LEVEL SWORN AFFIDAVIT                                                |               | <input type="checkbox"/> Yes                                                                |
|                                                                                                                                                                    |                                                                                                                                                                                                                                                        | <input type="checkbox"/> No     |                                                                                    |               | <input type="checkbox"/> No                                                                 |
| IF YES, WHO WAS THE CERTIFICATE ISSUED BY?                                                                                                                         |                                                                                                                                                                                                                                                        |                                 |                                                                                    |               |                                                                                             |
| AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA) AND NAME THE APPLICABLE IN THE TICK BOX                                                   |                                                                                                                                                                                                                                                        | <input type="checkbox"/>        | AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)           |               |                                                                                             |
|                                                                                                                                                                    |                                                                                                                                                                                                                                                        | <input type="checkbox"/>        | A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS) |               |                                                                                             |
|                                                                                                                                                                    |                                                                                                                                                                                                                                                        | <input type="checkbox"/>        | A REGISTERED AUDITOR                                                               |               |                                                                                             |
|                                                                                                                                                                    |                                                                                                                                                                                                                                                        | NAME: _____                     |                                                                                    |               |                                                                                             |
| <b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT(FOR EMEs&amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b> |                                                                                                                                                                                                                                                        |                                 |                                                                                    |               |                                                                                             |
| ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?                                                                      | <input type="checkbox"/> Yes <input type="checkbox"/> No<br>[IF YES ENCLOSE PROOF]                                                                                                                                                                     |                                 | ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?           |               | <input type="checkbox"/> Yes <input type="checkbox"/> No<br>[IF YES ANSWER PART B:3 BELOW ] |
| SIGNATURE OF BIDDER                                                                                                                                                |                                                                                                                                                                                                                                                        | DATE                            |                                                                                    |               |                                                                                             |
| CAPACITY UNDER WHICH THIS BID IS SIGNED (Attach proof of authority to sign this bid; e.g. resolution of directors, etc.)                                           |                                                                                                                                                                                                                                                        |                                 |                                                                                    |               |                                                                                             |
| TOTAL NUMBER OF ITEMS OFFERED                                                                                                                                      |                                                                                                                                                                                                                                                        | TOTAL BID PRICE (ALL INCLUSIVE) |                                                                                    |               |                                                                                             |
| <b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>                                                                                                             |                                                                                                                                                                                                                                                        |                                 | <b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>                                   |               |                                                                                             |
| DEPARTMENT/ PUBLIC ENTITY                                                                                                                                          |                                                                                                                                                                                                                                                        |                                 | CONTACT PERSON                                                                     |               |                                                                                             |
| CONTACT PERSON                                                                                                                                                     |                                                                                                                                                                                                                                                        |                                 | TELEPHONE NUMBER                                                                   |               |                                                                                             |

|                  |  |                  |  |
|------------------|--|------------------|--|
| TELEPHONE NUMBER |  | FACSIMILE NUMBER |  |
| FACSIMILE NUMBER |  | E-MAIL ADDRESS   |  |
| E-MAIL ADDRESS   |  |                  |  |

## PART B

### TERMS AND CONDITIONS FOR BIDDING

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                      |                                                          |                                                |                                                          |                                                                 |                                                          |                                                            |                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------|------------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------------|----------------------------------------------------------|
| <b>1. BID SUBMISSION:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                      |                                                          |                                                |                                                          |                                                                 |                                                          |                                                            |                                                          |
| <p>1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p> <p>1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE</p> <p>1.3. BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: ( BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.</p> <p>1.4. WHERE A BIDDER IS NOT REGISTERED ON THE CSD, MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS MAY NOT BE SUBMITTED WITH THE BID DOCUMENTATION. B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.</p> <p>1.5. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER LEGISLATION OR SPECIAL CONDITIONS OF CONTRACT.</p> |                                                                      |                                                          |                                                |                                                          |                                                                 |                                                          |                                                            |                                                          |
| <b>2. TAX COMPLIANCE REQUIREMENTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                      |                                                          |                                                |                                                          |                                                                 |                                                          |                                                            |                                                          |
| <p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>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.</p> <p>2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) 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.</p> <p>2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.</p> <p>2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.</p> <p>2.6 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.</p>                                                                                                                                                                                                                                                                                                                                        |                                                                      |                                                          |                                                |                                                          |                                                                 |                                                          |                                                            |                                                          |
| <b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                      |                                                          |                                                |                                                          |                                                                 |                                                          |                                                            |                                                          |
| <table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.4. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> </table> <p>IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TAX COMPLIANCE STATUS / TAX COMPLIANCE SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.</p>                                                                                                                                                                   | 3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? | <input type="checkbox"/> YES <input type="checkbox"/> NO | 3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA? | <input type="checkbox"/> YES <input type="checkbox"/> NO | 3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA? | <input type="checkbox"/> YES <input type="checkbox"/> NO | 3.4. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| 3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <input type="checkbox"/> YES <input type="checkbox"/> NO             |                                                          |                                                |                                                          |                                                                 |                                                          |                                                            |                                                          |
| 3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <input type="checkbox"/> YES <input type="checkbox"/> NO             |                                                          |                                                |                                                          |                                                                 |                                                          |                                                            |                                                          |
| 3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <input type="checkbox"/> YES <input type="checkbox"/> NO             |                                                          |                                                |                                                          |                                                                 |                                                          |                                                            |                                                          |
| 3.4. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <input type="checkbox"/> YES <input type="checkbox"/> NO             |                                                          |                                                |                                                          |                                                                 |                                                          |                                                            |                                                          |

**NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.**

**PRICING SCHEDULE**  
**(Professional Services)**

NAME OF BIDDER: ..... QUOTATION NO.: SALGA/101/2021

CLOSING TIME 11:00 ON 08 NOVEMBER 2021

OFFER TO BE VALID FOR ...120...DAYS FROM THE CLOSING DATE OF BID.

| ITEM NO | DESCRIPTION                                                                                                                                                                                | BID PRICE IN RSA CURRENCY INCLUSIVE OF <u>VALUE ADDED TAX</u> |                 |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------------|
| 1.      | The accompanying information must be used for the formulation of proposals.                                                                                                                |                                                               |                 |
| 2.      | Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of VAT for the project.               | R.....                                                        |                 |
| 3.      | PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)                                                                     |                                                               |                 |
| 4.      | PERSON AND POSITION                                                                                                                                                                        | HOURLY RATE                                                   | DAILY RATE      |
|         | .....                                                                                                                                                                                      | R.....                                                        | .....           |
|         | .....                                                                                                                                                                                      | R.....                                                        | .....           |
|         | .....                                                                                                                                                                                      | R.....                                                        | .....           |
|         | .....                                                                                                                                                                                      | R.....                                                        | .....           |
|         | .....                                                                                                                                                                                      | R.....                                                        | .....           |
| 5.      | PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT                                                                                           |                                                               |                 |
|         | .....                                                                                                                                                                                      | R.....                                                        | ..... days      |
|         | .....                                                                                                                                                                                      | R.....                                                        | ..... days      |
|         | .....                                                                                                                                                                                      | R.....                                                        | ..... days      |
|         | .....                                                                                                                                                                                      | R.....                                                        | ..... days      |
| 5.1     | Travel expenses (specify, for example rate/km and total km, class of airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices. |                                                               |                 |
|         | DESCRIPTION OF EXPENSE TO BE INCURRED                                                                                                                                                      | RATE                                                          | QUANTITY AMOUNT |
|         | .....                                                                                                                                                                                      | .....                                                         | R.....          |
|         | .....                                                                                                                                                                                      | .....                                                         | R.....          |
|         | .....                                                                                                                                                                                      | .....                                                         | R.....          |
|         | .....                                                                                                                                                                                      | .....                                                         | R.....          |
|         |                                                                                                                                                                                            | TOTAL: R.....                                                 |                 |

Name of Bidder: .....

- 5.2 Other expenses, for example accommodation (specify, eg. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

| DESCRIPTION OF EXPENSE TO BE INCURRED | RATE  | QUANTITY | AMOUNT |
|---------------------------------------|-------|----------|--------|
| .....                                 | ..... | .....    | R..... |
| .....                                 | ..... | .....    | R..... |
| .....                                 | ..... | .....    | R..... |
| .....                                 | ..... | .....    | R..... |
| TOTAL: R.....                         |       |          |        |

6. Period required for commencement with project after acceptance of bid .....
7. Estimated man-days for completion of project .....
8. Are the rates quoted firm for the full period of contract? .....
9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index. ....
- .....
- .....
- .....

Any enquiries regarding bidding procedures may be directed to the –

(INSERT NAME AND ADDRESS OF DEPARTMENT/ENTITY)

Nokwanda Msomi

Tel: (012) 369-8000  
scm@salga.org.za

Or for technical information –

(INSERT NAME OF CONTACT PERSON)

Tel: (012) 369-8000  
Mr. Bernard Mokgabodi  
scm@salga.org.za

## SBD 4

## DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state<sup>1</sup>, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes an advertised competitive bid, a limited bid, a proposal or written price quotation). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-
  - the bidder is employed by the state; and/or
  - the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.
2. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**
  - 2.1 Full Name of bidder or his or her representative: .....
  - 2.2 Identity Number:.....
  - 2.3 Position occupied in the Company (director, trustee, shareholder<sup>2</sup>, member): .....
  - 2.4 Registration number of company, enterprise, close corporation, partnership agreement or trust: .....
  - 2.5 Tax Reference Number: .....
  - 2.6 VAT Registration Number: .....
  - 2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / PERSAL numbers must be indicated in paragraph 3 below.

<sup>1</sup>"State" means –

- (a) 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);
- (b) any municipality or municipal entity;
- (c) provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

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

2.7 Are you or any person connected with the bidder presently employed by the state? YES / NO

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member: .....  
Name of state institution at which you or the person connected to the bidder is employed : .....  
Position occupied in the state institution: .....

Any other particulars:  
.....  
.....  
.....

2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector? YES / NO

2.7.2.1 If yes, did you attach proof of such authority to the bid document? YES / NO

(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.

2.7.2.2 If no, furnish reasons for non-submission of such proof:

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

2.8 Did you or your spouse, or any of the company's directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months? YES / NO

2.8.1 If so, furnish particulars:

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

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid? YES / NO

2.9.1 If so, furnish particulars.

.....

2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid?

2.10.1 If so, furnish particulars.

2.11 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract?

**YES/NO**

2.11.1 If so, furnish particulars:

### 3 Full details of directors / trustees / members / shareholders.

[illegible]

**4 DECLARATION**

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

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT.  
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME SHOULD THIS  
DECLARATION PROVE TO BE FALSE.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of bidder

November 2011

## 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
- a) The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable; or
- 1.3 Points for this bid shall be awarded for:
- (a) Price; and
- (b) B-BBEE Status Level of Contributor.
- 1.4 The maximum points for this bid are allocated as follows:
- |                                                          | POINTS     |
|----------------------------------------------------------|------------|
| PRICE                                                    | 80         |
| B-BBEE STATUS LEVEL OF CONTRIBUTOR                       | 20         |
| <b>Total points for Price and B-BBEE must not exceed</b> | <b>100</b> |
- 1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
- 1.6 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

- (a) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

- (c) **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
  - 1) B-BBEE Status level certificate issued by an authorized body or person;
  - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
  - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

### 3. POINTS AWARDED FOR PRICE

#### 3.1 THE 80/20 PREFERENCE POINT SYSTEMS

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

**80/20**

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

Where

- $P_s$  = Points scored for price of bid under consideration
- $P_t$  = Price of bid under consideration
- $P_{\min}$  = Price of lowest acceptable bid

### 4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

- 4.1 In terms of Regulation 6 (2) and 7 (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                                  | 6                               | 14                              |

|                           |   |    |
|---------------------------|---|----|
| 4                         | 5 | 12 |
| 5                         | 4 | 8  |
| 6                         | 3 | 6  |
| 7                         | 2 | 4  |
| 8                         | 1 | 2  |
| Non-compliant contributor | 0 | 0  |

## 5. BID DECLARATION

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

## 6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

- 6.1 B-BBEE Status Level of Contributor: . = .....(maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

## 7. SUB-CONTRACTING

- 7.1 Will any portion of the contract be sub-contracted?

(Tick applicable box)

|     |                          |    |                          |
|-----|--------------------------|----|--------------------------|
| YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
|-----|--------------------------|----|--------------------------|

- 7.1.1 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 or QSE

(Tick applicable box)

|     |                          |    |                          |
|-----|--------------------------|----|--------------------------|
| YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
|-----|--------------------------|----|--------------------------|

- v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations,2017:

| Designated Group: An EME or QSE which is at last 51% owned by:    | EME<br>√ | QSE<br>√ |
|-------------------------------------------------------------------|----------|----------|
| Black people                                                      |          |          |
| Black people who are youth                                        |          |          |
| Black people who are women                                        |          |          |
| Black people with disabilities                                    |          |          |
| Black people living in rural or underdeveloped areas or townships |          |          |
| Cooperative owned by black people                                 |          |          |
| Black people who are military veterans                            |          |          |
| <b>OR</b>                                                         |          |          |
| Any EME                                                           |          |          |
| Any QSE                                                           |          |          |

**8. DECLARATION WITH REGARD TO COMPANY/FIRM**

8.1 Name \_\_\_\_\_ of  
company/firm:.....

8.2 VAT \_\_\_\_\_ registration  
number:.....

8.3 Company \_\_\_\_\_ registration  
number:.....

**8.4 TYPE OF COMPANY/ FIRM**

- ☐ Partnership/Joint Venture / Consortium
  - ☐ One person business/sole propriety
  - ☐ Close corporation
  - ☐ Company
  - ☐ (Pty) Limited
- [TICK APPLICABLE BOX]

**8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES**

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

**8.6 COMPANY CLASSIFICATION**

- ☐ Manufacturer
  - ☐ Supplier
  - ☐ Professional service provider
  - ☐ Other service providers, e.g. transporter, etc.
- [TICK APPLICABLE BOX]

8.7 Total number of years the company/firm has been in business:.....

8.8 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-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 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 paragraphs 1.4 and 6.1, 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 contributor 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) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury 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.

|                                                |                                                                                                                                           |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| <p>WITNESSES</p> <p>1. ....</p> <p>2. ....</p> | <p style="text-align: center;">.....<br/>SIGNATURE(S) OF BIDDERS(S)</p> <p>DATE: .....</p> <p>ADDRESS .....</p> <p>.....</p> <p>.....</p> |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|

## DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Standard Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by institutions 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 disregarded if that bidder, or any of its directors have-
  - a. abused the institution's supply chain management system;
  - b. committed fraud or any other improper conduct in relation to such system; or
  - c. failed to perform on any previous contract.
- 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 companies or persons prohibited from doing business with the public sector?<br><b>(Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the <i>audi alteram partem</i> rule was applied).</b>                                                                                                                    | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 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)?<br><b>To access this Register enter the National Treasury's website, <a href="http://www.treasury.gov.za">www.treasury.gov.za</a>, click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 3265445.</b> | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 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 outside of the Republic of South Africa) for fraud or corruption during the past five years?                                                                                                                                                                                                                                                                                               | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.3.1 | If so, furnish particulars:                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                 |                                |
| 4.4   | Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?                                                                                                                                                                                                                                                                                                                | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.4.1 | If so, furnish particulars:                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                 |                                |

CERTIFICATION

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

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

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

- 1 This Standard Bidding Document (SBD) must form part of all bids<sup>1</sup> 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).<sup>2</sup> Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
  - a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
  - b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
- 4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids and proposals.

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

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

---

(Bid Number and Description)

in response to the invitation for the bid made by:

---

(Name of Institution)

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<sup>3</sup> 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.

<sup>3</sup> 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

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