uMLALAZI MUNICIPALITY

TENDER NO. : KZN ULM 18/24/25

TENDER DOCUMENT FOR:

SUPPLY, INSTALL, MAINTAIN AND SUPPORT THE MSCOA FULL ERP SYSTEM

CLOSING DATE: 09 JULY 2025 AT 12:00

COMPILED BY: Finance Department P O BOX 37 Butcher Street, 3815	**SCM OFFICES ADDRESS** KV Challenor Street (Industrial Areas) ESHOWE, 3815
Technical Related Queries Contact Person: Mr Khulekani Nxumalo Tel Nº: 071 883 5176 (Ext – 3356) Email:khulekanin@umlalazi.gov.za	**SCM Related Queries** Contact Person: Sanele Duma Tel Nº: +27 35 473 3300 (Ext - 3457) Email: saneled@umlalazi.gov.za

SERVICE PROVIDER'S DETAILS:

NAME OF SERVICE PROVIDER	
CONTACT PERSON	
E-MAIL ADDRESS	
TELEPHONE NUMBER	
PHYSICAL ADDRESS	
POSTAL ADDRESS	

Contents

1. NOTICE

UMLALAZI MUNICIPALITY

INVITATION FOR THE SUBMISSION OF TENDERS

Tenderers are hereby invited in terms of Section 112 of the Local Government: Municipal Finance Management Act 56 of 2003 read with uMlalazi Supply Chain Management Policy to undertake the following:-

TENDER DESCRIPTION	TENDER NUMBER	CLOSING DATE AND TIME	FUNCTIONALITY
SUPPLY, INSTALL, MAINTAIN AND SUPPORT THE MSCOA FULL ERP SYSTEM	KZN ULM 18/24/25	09 July 2025 at 11 KV Challenor Street, Eshowe at 12h00	• Company Clients Audit Outcome for 22/23 and 23/24 FY =10 • Data strings generated directly from the system and financial system to integrate with other systems = 20 • Experience in the successful implementation and maintenance of MSCOA in Municipalities with Electricity as a Trading Service = 40 • Project Leader's years in MSCOA implementation = 30

ELIGIBILITY TO TENDER

Only companies appointed in the National Treasury Transversal Tender for Municipal Standard Chart of Accounts (Previously RT 25 or any other subsequent transversal contract in relation to Municipal Standard Chart of Accounts) or any service provider that is currently providing the services of the full ERP system in any of the South African municipalities.

Specific Goals: -

NO.	Categories	Weight	80|20
1.	**Ownership Goals**: • BBBEE Level 1 = 10 • BBBEE Level 2 =6 • BBBEE Level 3 & Below =2	**100%** 60% 20%	10
2.	**Empowerment Category: SMME Development (EME and QSE):** • an EME or QSE which is at least 100% owned by black people = 4 • an EME or QSE which is at least 51% owned by black people =2 • an EME or QSE which is at 25% - 50% owned by black people =1	**100%** 60% 20%	4
3.	**Reconstruction & Development Programme Goals**: • Community upliftment project (e.g. housing , schools ,infra donations etc.) equal to at least 0.5% of project Value = 4	**100%**	4
4.	**Combination of other goals:** • BBBEE Level and • Community Upliftment proposal = 2	**100%**	**2**
		100%	**20**

Registration on the Councils Database is preferred prior to the submission and closing of the tender. It is the responsibility of the Tenderer to ensure that the Data Base registration documents are received by the Supply Chain Management Office. Further information in this regard can be obtained from the Supply Chain Management Unit on 035 – 473 3300 ext. 3445. Tenderers are requested to register on Central Supplier Database (CSD)

Tender documents must be collected **at the Municipal offices Financial Services Revenue Section, Hutchinson Street, Eshowe on Monday to Fridays from 08:30 to 14:30. Tender Documents will be available from 09 June 2025 up to 07 July 2025 at a non-refundable cost of R1000.00** and will be available on eTenders Portal at no cost. EFT payments will be accepted and must be made on or before 16:00 pm on the last day of purchasing tender document. Payment may be deposited to uMlalazi Municipality as per the following banking details; First National Bank; Account Number 52191090523, Branch 220230, use company name as reference. **Proof of payment will required to receive tender document.**

There will be no briefing session, all enquiries to be made in writing to KhulekaniN@umlalazi.gov.za

Late tenders, telegraphic or facsimiled tenders will **NOT** be accepted. Canvassing in the gift of Municipality is strictly prohibited and will lead to disqualification of tenders. UMlalazi Local Municipality does not bind itself to accept the lowest bid or any other bid and reserves the right to accept the whole/ part of the bid. For further information or clarities contact Mr. Khulekani Nxumalo on 071 883 5176 /035 473 3356 during normal office hours.

MR. N.N. SHANDU
MUNICIPAL MANAGER
Display date: 05 June 2025
Notice No. 48/24/25

Definitions

The following terms shall be interpreted as indicated:

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

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

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

(iv) "**Corrupt practice**" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.

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

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

(vii) "ERP" means Enterprise Resource Planning system.

(viii) **"GRAP''** mean Generally Recognised Accounting Practice as approved/issued by the South African Accounting Standards Board.

(ix) "**Day**" means calendar day.

(x) "**Delivery**" means delivery in compliance of the conditions of the contract or order.

(xi) "**Delivery ex stock**" means immediate delivery directly from stock actually on hand.

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

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

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

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

(xvi) "**GCC**" means the General Conditions of Contract.

(xvii) "**Goods**" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

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

(xix) **"MSCOA**" means Municipal Standard Chart of Accounts.

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

(xxi) "**Project site**," where applicable, means the place indicated in bidding documents.

(xxii) "**Municipality or Client"** means the organization purchasing the goods and services.

(xxiii) "**Republic**" means the Republic of South Africa.

(xxiv) "**SCC"** means the Special Conditions of Contract.

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

(xxvi) "**Written"** or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

2. INSTRUCTIONS AND CONDITIONS OF TENDER

2.1 ELIGIBILITY TO TENDER

Only companies appointed in the National Treasury Transversal Tender for Municipal Standard Chart of Accounts (Previously RT 25 or any other subsequent transversal contract in relation to Municipal Standard Chart of Accounts) or any service provider that is currently providing the services of the full ERP system in any of the South African municipalities.

2.2 RETURN OF DOCUMENT

The completed and signed set of Tender Documents shall be sealed in an envelope endorsed "**SUPPLY, INSTALL, MAINTAIN AND SUPPORT THE MSCOA FULL ERP SYSTEM**" for the period of 60 months must reach the Municipal Manager, uMlalazi Municipality, by hand and placed in the Tender Box at the SCM offices, KV Challenor road (industrial Area), by no later than 12:00 pm on the date as per advert where they will be opened in public. NB: Late tenders, telegraphic or facsimile tenders will not be considered.

2.3 COMPLETION OF TENDER DOCUMENT

- Tender document must duly completed in very manner
- Forms in this tender document must be completed and signed.
- All pages allocated signing spaces must be signed
- Tenderers will make provision for all machinery, labour, material, equipment and all non-incidentals needed for the execution and completion of the project in accordance with the tender documents.

2.4 AUTHORITY FOR SIGNING

Authority to sign the documents on behalf of the tenderer must be submitted with the tender and remain in force unless replacement submission is made and accepted by the municipality.

2.5 ACCEPTANCE OF TENDERS

2.5.1. The Bidder or a competent authorised representative of the Professional Service Provider who submitted the tender has attended the compulsory briefing meeting (if applicable to this tender).
2.5.2. The tender offer is signed by a person authorised to sign on behalf of the Bidder.
2.5.3. A Bidder who submitted a tender as a Joint Venture if accepted in the bid document, must include an acceptable Joint Venture Agreement in this bid.
2.5.4. Acceptance of the tender will not guarantee that the programme, methods and other details will be approved. Municipality may consider reviewing such prior entering into a contract agreement.
2.5.5. The Municipality does not bind itself to accept the lowest or any other bid and reserves the right to accept the whole part of the bid.
2.5.6. The uMlalazi Municipality will not be held responsible for any cost incurred for submitting this tender.
2.5.7. Failure to comply with the foregoing instructions may lead to the tender not being considered.
2.5.8. When the bid is accepted, the successful tenderer will be informed and the contract negotiated indicating the financial implications and terms of service will be entered into.

2.5.9. **In terms of Section 38 of the Supply Chain Management Policy the Municipality reserves the right to reject any Bid**:

(i) If any municipal rates and tariffs or municipal service charges owed by that Company owner or any of its directors to the municipality or municipal entity or to any other municipality or municipal entity are in arrears for more than 3 (three) months.

(ii) Who in last 5 (five) years has failed to perform satisfactory on a previous contract with the municipality or municipal entity or any other organization of state after written notice was given to that Service Provider that performance was unsatisfactory.

2.5.10. Canvassing in gift of Municipality is strictly prohibited and will lead to disqualification of the Proposal.

2.5.11. Registration on the Councils Database shall be mandatory to the successful bidder. This will apply on final award of this tender.

2.6 LIST OF RETURNABLE DOCUMENTS TO BE SUBMITTED BY TENDERER

Item	Description	Remark
A.	Proof of purchase of tender document (Applicable to purchased documents only)	Compulsory
B.	Valid tax clearance certificate (original) valid as at date of tender closing	Compulsory
C.	Company / CC /Trust / Partnership / Registration certificates and Certified copies of identity document of Directors / Owners / Members / Shareholders, Joint Venture Agreement and Power of Attorney in case of Joint Ventures	Compulsory
D.	Proof of registration with CSD	Compulsory
E.	Rates Clearance Certificate	Compulsory
F.	Proof of Workman's Compensation Registration	Compulsory
G.	Preferential Procurement Points claim from in terms of the preferential procurement regulations 2022	Compulsory
H.	Verification documents for Preferential Procurement Points for specific goals (refer to MBD 6.1)	Further evaluation
I.	Declaration of interest	Compulsory
J.	Declaration of Bidders past Supply Chain Management practices	Compulsory
K.	Certificate of Independent Bid Determination	Compulsory
L.	Certificate of authority to sign documents	Compulsory
M.	Declaration for procurement above R 10 Million	Compulsory, if applicable
N.	Record of addenda to tender document	Compulsory
O.	Amendments or qualifications by the tenderer if applicable	Compulsory

2.7. EVALUATION METHOD

a) Eligibility to tender only if it applies and specified in the bid.
b) Compulsory returnable documents.
c) Functionality
d) Price and preferential procurement system as specified in the bid.

2.8. VALIDITY PERIOD

The tender undertakes that bid will be valid for a period of **120 (Hundred and twenty**) days and that the Tenderer will not retract or change the tender during the period that the uMlalazi Municipality is scrutinizing the acceptance thereof.

2.9. COMPETENCE OF KEY PERSONNEL AND QUALITY

2.9.1. To carry out and complete work the Proffessional Service Provider shall employ only such person as are careful competent and efficient in their various professions. All key personnel presented by the tenderer during bidding stage for evaluation purposes must be maintained or remain unchanged for the duration of the contract " no substitution without municipity's written approval will be allowed''

2.9.2. Appointed bidder will be required to maintain all quality presented during bidding process which has significantly influenced decision making in awarding of this tender, this shall be part of the service level agreement.

2.10. LOCATION AND GEOGRAPHICAL SIZE OF THE MUNICIPALITY

The administrative center of uMlalazi Local Municipality (KZN284) (Eshowe) is situated along the north eastern coast of Kwa Zulu Natal, 140km north east of Durban. UMlalazi municipality is located within King Cetshwayo District. Geographically, the municipal area covers 2 217km² and consist of 28 electoral wards with dominance of rural wards, and there are 14 tribal authority areas of which AmaKhosi are custodians thereof on behalf of the Ngonyama Trust Board.

2.11. INSPECTION

The successful tenderer must be acquainted with uMlalazi Municipality area. The service provider must make his own arrangements to familiarize themselves with area of work.

2.12. AMENDMENTS UPWARD OF TENDERED PRICE

a) Tenders must further note and accept that any variance upward of the prices tendered will not be considered by Municipality as a reason to amend the said tendered price.

b) Any attempts to invoke an increase in tendered price will render the tender invalid and it will be discarded.

2.13. COST OF TENDER

The Municipality does not hold itself liable for any or all of the costs involved by the tender in compiling a tender. Should a tender withdraw an offer after being given written acceptance thereof all costs of re-advertising will be for that tenderer's account.

2.14. ALTERNATIVE

Should a tenderer wish to submit an alternative, he may do so subject to the tender being submitted additional to and based on the specifications as listed in the tender document. Any letter or documents describing such alternative must be in duplicate.

2.15. MANDATORY OBJECTION PERIOD

All administrative actions and decisions taken by the Municipality through its officials may become subject to an appeal process. As such, in terms of Section 62 of the Municipal Systems Act 32 of 2000, a period of fourteen (14) days will be set aside to allow for the submission of appeals against the award / process of making the award to a particular bidder by any interested party. Except in scenarios where the decision of a duly appointed appeal panel sets aside the appointment of the successful bidder as the service provider for this contract, the appointment will then be confirmed by the municipality in writing.

2.16. PRICING INSTRUCTIONS/CONDITIONS

2.16.1. Annual escalation equivalent to Consumer Price Index (CPIX) shall apply but not exceeding 10%.

2.16.2. Should the tendered rates/ price exceeds the prescribed rates by applicable regulatory body, the lowest acceptable offer may be negotiated based prescribed fees guidelines. (if applicable)

2.16.3. The price must be unconditional.

2.16.4. Tenderers to submit tender prices in accordance with the description, requirements and sections as indicated in the tender documents.

2.16.5. The Municipality reserves the right to negotiate a reasonable price with the lowest acceptable bid prior final recommendation is made.

2.16.6. The offer was accepted as a whole, therefore partly delivered order to the municipality means the service remains the property of the supplier until complete order is delivered

2.16.7. The order that is partly delivered to the municipality remain the property of the supplier until complete order is delivered.

2.16.8. No part payments will be accepted, failure to complete delivery nullifies the whole contract.

2.16.9. Invoice will be only be accepted once complete order has been delivered, and the municipality accept no ownership, responsibility, security, what so ever for materials/product/ equipment/service etc., that was delivered to the municipality until the delivery is complete.

2.16.10. The tenderer must make provision for all machinery labour, material, equipment and all non-incidentals needed for the execution and implementation of the contract in accordance of the tender document.

2.16.11. The Pricing Strategy is a re-measurement Contract, meaning scheduled quantities are just estimates or worst case scenario, the actual work will measured for payments.

2.17. CRITERIA FOR ISSUING OF PURCHASE ORDER

2.17.1. Purchase order will be issued by municipality based on the services provided

2.17.2. The municipality will generate and issue works order based on **accepted unit prices** as per price scheduled incorporated in the form of offer.

2.17.3. Amount of materials/ product/ service to be delivered per financial year will be determined by the municipality from time to time guided by availability of budget and need.

2.17.4. The municipality will raise works orders as in when required during period of this contract

2.17.5. The works order will indicate material type, quantity and amount of work to be provided on each occasion.

2.18. PAYMENT INSTRUCTION:-

2.18.1. No payment will be made if such work fall outside the ambit of the contract and approved **Contract Price**, all variation orders must be approved in writing by a person authorized to do so.

2.18.2. Payment will be made by the municipality to the Service Provider upon delivery of service, which payment will be made via electronic transfer of funds to the Service Provider’s financial institution subject receipt of a valid tax invoice accompanied with relevant supporting documents specified in this contract.

2.18.3. The Service Provider is obliged to submit the invoice together with a signed monthly reports, travel log books, job card or municipal time sheet (whichever is applicable) and job card/time sheet must be properly filled and reflect worked hours / quantity of work done, site name etc. Failing which no work shall be certified for payment.

2.18.4. Valid tax invoice must be submitted on the last day of each month and payment shall be made in 30 days after date of invoice.

2.18.5. In the event that the Municipality is not satisfied with the performance of the Service Provider, the Municipality shall give written notice to this effect to the Service Provider providing sufficient detail and a reasonable time frame to enable the Service Provider to rectify such performance.

2.18.6. In the event of the entire amount or a portion of the invoice being disputed by the Municipality, only the portion in dispute shall be withheld from payment, until the dispute is resolved. The undisputed portion shall be paid to the Service Provider within the stipulated time frames.

2.18.7. The Service Provider shall immediately give notice of any circumstances preventing them from completing their obligations in terms of the contract.

2.19. Annual maintenance fee, where software maintenance fees are payable annually. Annual Maintenance include the updating of the ERP System with all the latest approved version of the charts and all relevant updates to ensure full compliance with relevant MSCOA regulations and GRAP standards.

2.20. Annual service level agreement fee, where fees are payable to ensure support is available, i.e. helpdesk.

2.21. PENALTIES

2.21.1. If within the period(s) specified in the contract, the Municipality shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, an amount of **R11 700 per calendar day** of the delay until actual delivery or performance. The Municipality may also consider applying termination clause of the contract should non-compliance with delivery timeframes constitutes gross breach of this contract and recover all monies owed to the municipality calculated on a pro rata basis.

2.21.2. Failure to deliver the goods or service within the period(s) specified in the contract is as a result of an event of force majeure, the service provider must report in writing with evidence required and Municipality shall assess the submission on its discretion.

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

2.22. OTHER GENERAL TERMS AND CONDITIONS OF THIS BID

2.22.1. Awarding of contract will be subject to the Service Provider's acceptance of offer in writing.

2.22.2. Project personnel requirements will be confirmed during project initiation and shall remain unchanged for the duration of the project, unless prior written consent has been granted by the Municipality.

2.22.3. All secretarial services such as arranging meetings, setting of agenda's and minute taking shall be the responsibility of the Service Provider.

2.22.4. No material or information derived from the provision of the services under the contract may be used for any other purposes except for those of the uMlalazi Local Municipality except where duly authorized to do so in writing by the uMlalazi Local Municipality.

2.22.5. The successful Service Provider agrees to keep all records and information of, or related to the project confidential and not discloses such records or information to any third party without the prior written consent of uMlalazi Local Municipality.

2.23. CONTRACTAGREEMENT/SERVICE LEVEL AGREEMENT

The successful Service Provider shall sign a Service Level Agreement/ Contract with the Municipality.

3. SPECIFICATIONS AND SCOPE OF WORK

GUIDELINE

3.1. BACKGROUND

The assignment objective is to provide an integrate Municipal Finance Management System that will enable the municipality to manage, track and report its financial transactions, inventory, suppliers, bank, customer, fixed assets, billing, and Performance and the system must be complaint with mSCOA. The municipality reserves the right to extend the appointment to a period not exceeding 5 years subject to supplier performance reviews and successful system implementation. The municipality is a semi-rural municipality and relatively far from the main centres in South Africa. These geographical challenges have historically caused service and support to be lacking and expensive. The municipality therefor aims to reduce these challenges that influences optimum performance and service delivery. The municipality is looking for a fully integrated system, that is user friendly and can be implemented and be fully live by 1 July 2025. The Number of users is estimated at 55 and can be more. The estimated debtor count is approximately 12 000.

The uMlalazi Municipality was categorized as B4 in the RT 25 contract. Service providers to note that the municipality does not provide water and sanitation service and service providers will not be expected to quote for solutions on these services.

3.2. CONTRACT OR PROJECT DURATION

The contract period shall be **Sixty (60)** months, reads together with the other relevant clauses in the service level agreement.

3.3. SCOPE OF WORK AND COSTS COVERAGE

3.3.1 Data Migration/Implementation cost

- All master data and balances have to be migrated from existing modules and functioning 3rd party systems where applicable, and where necessary/practical transaction have to be migrated as well. To enable data string submissions for RAUD and Audited strings data for mSCOA chart 6.7 and 6.8 must also be migrated. **The data migration plan costs must be included in the pricing plan and priced for accordingly. The portion of the project is non-negotiable and failure to execute this task will result in the non-performance.**

- A data migration plan must be submitted and should form part of a project plan to be submitted where legacy or third-party systems needs to be incorporated in the current core financial system. Data migration must include at least 4 parallel runs with existing systems including integration with 3rd party systems. The tenderer should provide for all cost involve to perform parallel runs.

- The implementation, redevelopment, enhancements, improvements and any related implementation cost must be provided in detail per functional area, module, and business process

3.3.2 Training and Support

- All users should receive system specific training as well as hands-on practical experience to function independently of the system provider. This is compulsory when any enhancement upgrading or amendments in accordance with the regulated business processes are required.

- The service provider is required to annually sign a Service Level Agreement with the municipality in respect of licensing and support and any other required legislated upgrades (i.e mSCOA charts and additional data string and reporting requirements) necessary to conform with the MSCOA regulations, regulated business processes and any legislation or regulations as may be promulgated or amended. ANNUAL FEES. Note additional cost will be paid.

- Annual license fees for the product offering will be considered for payment in advance 30 days from the commencement of each financial year.

- Annual maintenance and support charges are payable monthly on submission of invoices and supporting evidence for Subsistence, travelling and other disbursements. The tender should base the cost on 480 hours onsite support at uMlalazi's head office in Eshowe.

- Annual service level agreement fees, where fees are payable to ensure that remote support is available, i.e. helpdesk will be paid monthly upon submission of the invoice.

3.3.3 Annual fees

- Annual maintenance fee, where software maintenance fees are payable annually. Annual Maintenance include the updating of the ERP System with all the latest approved version of the charts and all relevant updates to ensure full compliance with relevant MSCOA regulations and GRAP standards.
- Annual service level agreement fee, where fees are payable to ensure support is available, i.e. helpdesk.

3.3.4 Hardware/Software requirements

Hardware/Software requirements to enable optimum performance of system.

ASSIGNMENT COST & PAYMENT

- This section includes payment arrangements in addition to the pricing instructions.
- Payment will be made upon completion of major Milestones.

- Interim payments on non-completed Milestones will not be made; the payment will only be made on approval of the deliverable by the Municipality.
- The municipality reserves the right to negotiate annual payment agreements according to cash-flow planning of the organisation.

3.4 <u>TIMEFRAME</u>

- The timeframe for the end product deliverables (Fully Implemented System Training, Data Migration and Handholding) are as follows:
- Full implementation of the system including data migration within 3 months from the date of appointment
- Handholding for a period of 6 months from the live launch of the system
- Response time must be within 12 hours for all reported faults. Failure to respond within 12 hours may result in penalties being imposed.

3.4. TECHNICAL SPECIFIFICATIONS

REQUIRED SPECIFICATIONS

mSCOA SYSTEM

Name of system providing functionality		Module	GENERIC SPECIFICATIONS

All asset transaction types must be accommodated in a flexible manner to accommodate future expansion within the mSCOA framework. An audit Trail, with an enquiry facility into the audit trail, of all movement within these files is a requirement.

Module Checklist:

	Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
		Yes	3rd Party		
1. Generic	**2. Access control of all systems and modules should as a minimum adhere to the following: Minimum Information Security Standards.**				
	2.1. Authentication, authorization and cryptographic security technologies and digital certificates must be given high emphasis throughout the entire system including but not limited to the application, data processing, data storage, data communications and user access.	☐	☐		
	2.2. Must integrate secondary authentication systems such as biometric devices for users that provides access to critical modules, processes and digital signatures or similar technologies to prevent document tampering.	☐	☐		
	2.3. Must support complex user profiles, with segregation of duties, in order to limit user rights beyond the transaction, but to also include content sensitive measures such as organizational structure, payroll, cost center, project, source of funding, other segmented transactions or other system objects needed to ensure confidentially of information and transactional integrity.	☐	☐		

	Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
		Yes	3rd Party		
	2.4. Online approval and authorization with electronic signature capabilities of transactions via integrated security systems and segregated functionality. This should be provided through application of appropriate security policies and internal service level agreements between various units.	☐	☐		
	2.5. Comprehensive on-line audit trail of all transactions at a transaction level must be available. This is in order to identify date, time and the user who initiated, approved or amended any transaction, including workflow. The administrator must be able to customize this for enhanced analysis and reporting.	☐	☐		
	2.6. Additionally, the audit trail on all activities on the system, date, time and responsible user stamped. This must be done to the extent that an activity log can be drawn from the system, outlining a particular user's activities on the system for the entire workday.	☐	☐		
	3. Period Control				
	3.1. Monthly period closure and certification within the statutory reporting dates. No backdating of transactions is allowed.	☐	☐		
	3.2. Balancing of the sub-system with control accounts must be a condition of any period closure.	☐	☐		
	3.3. Year-end closures period 12 as at 30 June (of the current year) result in a transactional transfer of opening balance to period one in the following year.	☐	☐		
	3.4. Finalization and submission of annual financial statements (AFS) period 13 results in opening balance transactional transfer of only the transactions of period 13.	☐	☐		
	3.5. Audit periods with allowed audit approved journals occur in period 14 and result in opening balance transactional transfer of only the transactions of period 14.	☐	☐		
	3.6. Accommodate a period 15 for prior period errors (GRAP 3). This require all previous and relevant charts to be available at all time without reloading previous charts	☐	☐		
	3.7. Any corrections of prior period error(s) result in opening balance transactions in the subsequent years.	☐	☐		
	3.8. Period closing, finalization and audit period corrections are opening balance transactions in the current open period as well as normal transactions in the audit periods.	☐	☐		

	Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
		Yes	3rd Party		
	4. Integration				
	4.1. Sub-system(s) or ledgers must, without (manual) intervention or manipulation, integrate and constantly balance with the core financial system.	☐	☐		
	4.2. Enable drill down from the general ledger (GL) to sub-system source transactions to transactional level.	☐	☐		
	5. Help function user manual				
	5.1. The System must include an online procedural manual facility that allows for the recording and updating of all relevant processes to aid the users of the system.	☐	☐		
	5.2. The manual must be context specific and accessible from any input screen in the system.	☐	☐		
	5.3. Functionality is required to permit a duly authorized user to maintain the user manual.	☐	☐		
	6. Document and transaction control				
	6.1. The solution must include the online recording of all transactions with a unique transactional identifier and a date/ time stamp format which records transactions in all systems.	☐	☐		
	6.2. It is important to note that no records are physically deleted. Deleting a record in the context of the Solution means to 'flagging as deleted', the record so that it is no longer visible or active and does not present 'clutter' to normal users.	☐	☐		
	6.3. However, duly authorized users may view or report on logically deleted records.	☐	☐		
	7. Training and Skills transfer	☐	☐		
	7.1. End User Training which includes both theoretical as well as practical training.	☐	☐		
	7.2. Complete Solution Hand Over to Municipal Project Team including full documentation.	☐	☐		
	7.3. Deployment of an IT strategy for maintenance and future developments.	☐	☐		
	8. Tax & VAT				

	Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
		Yes	3rd Party		
	8.1. Fully integrated and approved VAT handling capabilities incorporating all statutory required documentation.	☐	☐		

mSCOA SYSTEM

Name of system providing functionality		Module	IDP & BUDGET

In terms of Section 25 of the Municipal Systems Act, 2000, each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan (the integrated development plan (IDP)) for the development of the municipality which must inform the municipal budget to be mutually credible and reliable.

Module Checklist:

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1. IDP	☐	☐		
1.1. The system should be able to link budgeting to final integrated development plan (IDP) priorities.				
1.2. Budgeting on the factual elements of typical work streams.	☐	☐		
1.3. Budgeting on the factual elements of municipal operational and running cost.	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1.4. Enable users with budget and management information to determine funding adequacy of the budget to ensure the budget is funded. (Municipal Budget and Reporting Regulations, 2009 (MBRR)).	☐	☐		
1.5. Incorporation of sub-module's elements.	☐	☐		
1.6. Tracking of the budget process plan and timetable.	☐	☐		
1.7. Automated workflow for departments' submissions as per budget guideline documents.	☐	☐		
1.8. Comparison capabilities for department budget submissions, scenarios & recommendations.	☐	☐		
1.9. Planning of secondary costing i.e. departmental charges, internal recoveries and activity-based charges.	☐	☐		
1.10. The system should be able to link Expenditure and Revenue to All segments of mSCOA.	☐	☐		
1.11. Track, compare and report on budget versus actual amounts for year 1 of the medium-term revenue and expenditure framework (MTREF) as per mSCOA Regulation requirement.	☐	☐		
1.12. Enable what-if inter-operability and modelling between the municipality's main budget module and the sub-budget modules.	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1.13. The statutory budget submission to the National Treasury local government Database (LG Database);	☐	☐		
1.14. Data extraction from the mandatory six (6) segments on the mSCOA classification framework and upload to the National Treasury local government Database (LG Database) portal.	☐	☐		
2. Main Budget & Monitoring				
2.1. Allow the public to provide comments on the budget electronically via the municipality's website. These comments together with the comments received from public sessions to be populated/consolidated onto a tool that can be accessed by the public and councilors.	☐	☐		
2.2. Automate the virement process as per the virement policy	☐	☐		
2.3. Provide the annual procurement plan	☐	☐		
2.4. Provide the annual procurement plan.	☐	☐		
3. A revenue sub-ledger budget module that as a minimum:				
3.1. Calculate and spread budgets based on current consumption and database history.	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
3.2. Measure and flag anomalies of the current database history against alternative information sources such as the Surveyor General (SG), Deeds Office and valuation rolls to ensure completeness of budgeting and actual billing.	☐	☐		
3.3. Provide functionality for town ship development and populate amounts and consumption on average per type of connection in this development.	☐	☐		
3.4. Provide for the adjustment of distribution losses based on anticipated remedial actions on the sales loss as identified by the water and electricity distribution loss templates. Zero consumption account based on average and type of use tariffs.	☐	☐		
3.5. Create projected growth and tariff calculations taking into account the provision for bad debt and material losses. (In this regard transacting on the "Regional" segment is crucial for GRAP 104 type calculations).	☐	☐		
3.6. Planning of secondary costing i.e. departmental charges, internal recoveries and activity-based charges informing cost reflective tariffs.	☐	☐		
3.7. Review of sundry tariffs.	☐	☐		
3.8. Supply the general ledger's “main budget module”-budgets with the full mSCOA segments as a budget line. It should be able to provide this for revenue, expenditure and balance sheet items.	☐	☐		

mSCOA SYSTEM

Name of system providing functionality		Module	PERFORMANCE MANAGEMENT

The Performance Management System must give effect to chapter 6 of the Municipal Systems Act, 2000. Due to the nature of local government the performance management system of a municipality originates from its integrated development plan (IDP) and as such the key performance indicators are created in the IDP. This module therefore formally starts with and should assist in the compilation of the IDP.

Module Checklist:

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1. Seamless integration with the budgeting module	☐	☐		
2. The compilation and solution to capture the service delivery- and budget implementation plan (SDBIP) measurable performance indicators and the assignment of tasks to specific managers	☐	☐		
3. Ensuring that policies and Municipal By-laws are aligned to the developmental nature of the municipality and give effect to the measurable performance objectives and service delivery- and budget implementation plan (SDBIP) of the municipality (for staff and political office bearers)	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
4. Ensure that internal municipality delegations are updated and assigned and formally accepted by individuals	☐	☐		
5. Manage and control external service mechanisms/ providers via a contract management component that ensures delivery, sign-off and minutes are contained in a single point of entry	☐	☐		
6. The contract management module should monitor key deliveries and invoke penalty clauses, retentions and consequences in cases of persistent breach of contract. This include listing of transgressors on the National Treasury website under the appropriate listing for transgressors	☐	☐		
7. A performance management module that manages the contracts of senior management and allows for electronic submissions and 'portfolio of evidence' management	☐	☐		
8. The performance management module should assist in consequence management and record any such actions	☐	☐		
9. The performance management system should as a minimum produce the following documents:				
9.1. The integrated development plan (IDP) for publication;	☐	☐		
9.2. The service delivery- and budget implementation plan (SDBIP);	☐	☐		
9.3. The service level agreements (SLA's) and performance contracts;	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
9.4. Reporting on service delivery- and budget implementation plan (SDBIP) indicators (inclusive of financial performance indicators); and	☐	☐		
9.5. The municipality's annual report.	☐	☐		
10. Link the service delivery- and budget implementation plan (SDBIP) and workflow to show progress on projects and include links to service delivery scorecards and municipal procurement plans.	☐	☐		
11. HR & Payroll - Performance Management linked to SDBIP	☐	☐		

mSCOA SYSTEM

Name of system providing functionality		Module	REPORTING MECHANISMS

Module Checklist:

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1. Annual Financial Statements				
1.1. Integration and automation of the annual financial statements (AFS) as well as monthly MFMA section 71 reports (financial management statements).	☐	☐		
2. Business intelligence reporting solutions				
2.1. Report Writer				

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
2.1.1. The report writer should have a user configurable application utility like Sequel server reporting server (SSRS). This must include sample reports configured as well as standard reports. This will allow for consistency in reporting and best of client base reports that can be shared in the whole-of-municipal environments;	☐	☐		
2.1.2. Alternatively, an effective, flexible report-writing facility with access to the database dictionary is required;	☐	☐		
2.1.3. Ensure that mSCOA segmented reports can be produced on any level of the mSCOA chart with any combination of segments;	☐	☐		
2.2. Management Dashboards - There should be a management dashboard that displays at the Municipal Manager's (accounting officer) and senior managers' offices, the key performance areas information in a continues real time update. This should as a minimum:				

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
2.2.1. Assist the municipal manager to adhere to MFMA section 70 by providing early warning of impeding financial distress;	☐	☐		
2.2.2. Monitor the financial progress of grants, programs and capital projects (as per the annual service delivery-and budget implementation plan (SDBIP));	☐	☐		
2.2.3. Monitor performance of debt recovery and creditor payments;	☐	☐		
2.2.4. Reflect budget versus actual performance of the votes / functions of the municipality.	☐	☐		
2.3. Allow for the export of data via reports in commonly used file formats which is normally associated with spread sheet and other data base applications.	☐	☐		
3. National Treasury Portal and other statutory submissions				
3.1. Statutory submission to the National Treasury local government Database (LG Database);	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
3.2. mSCOA data extraction and upload to portal submissions with a dashboard configuration to allow the Municipal Manager (accounting officer) to verify the mSCOA data extracts before submitting them:				
3.2.1. The annual procurement plan - actual versus budget;	☐	☐		
3.2.2. The asset maintenance plan - actual versus budget;	☐	☐		
3.2.3. Annual Financial Statements (AFS);	☐	☐		
3.2.4. Annual report;	☐	☐		
3.2.5. VAT returns 201 reconciliations;	☐	☐		
3.2.6. PAYE and 501 reconciliations;	☐	☐		
3.2.7. IRP 5; and	☐	☐		
3.2.8. Unemployment Insurance Fund (UIF) forms.	☐	☐		

mSCOA SYSTEM

Name of system providing functionality		Module	RISK MANAGEMENT

Module Checklist:

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1. Internal Audit				
1.1. Issue audit findings and risk registers and invoke consequence management procedures	☐	☐		
2. External Audit				
2.1. Escalation and classification of matters influencing auditors' opinion	☐	☐		
3. Back up and data recovery				
3.1. Data backup procedures must be continuous and roll back. Recovery should be at the maximum extent possible and not cause system down time "RAID configuration"	☐	☐		
3.2. Disaster recovery sites are either off site at the municipality or cloud-based solutions that are to be tested regularly	☐	☐		
3.3. Daily, weekly, monthly and yearly backups must be documented and signed-off	☐	☐		

mSCOA SYSTEM

Name of system providing functionality		Module	DOCUMENT AND WORKFLOW MANAGEMENT

Document Management to ensure that all municipal documents are secured and if possible, electronically received to achieve the lowest possible footprint. National Archives of South Africa Act, 1996.

Ensure that the policies referred to in MFMA section 17 and the Municipal Budget and Reporting Regulation 7 are, via formal workflow, reviewed by the relevant municipality departments/sections. Any amendments must be incorporated into the budget submission.

Module Checklist:

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1. Internal Audit				
1.1. Integrated workflow Request for Information management tool, backed by document management	☐	☐		
1.2. Ability to obtain base transactional information 'View Only' ability	☐	☐		
1.3. Ability to request sample transactions from all sub and core financial systems. This include documents as loaded via the document management systems.	☐	☐		
1.4. Continues workflow on risks identified to ensure mitigation.	☐	☐		
2. External Audit (Public Audit Act, 2004)				

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
2.1. Workflow and incident management tool to ensure progressive dealing with Request for Information and Communication of Audit findings.	☐	☐		
2.2. Document management to ensure delivery of responses and documents requested on 'Request for Information' to AG.	☐	☐		
2.3. Real time system (date time stamped) electronic responses to AG queries and continued internal escalation of non-responded queries.	☐	☐		
2.4. Escalation and continuous request for 'auditor conclusion' on responded communication of audit findings.	☐	☐		
2.5. Compilation and workflow on audit recovery plans.	☐	☐		
3. Audit Committee - Audit Charter				
3.1. Document management and workflow to ensure resolution tracking is achieved.	☐	☐		
4. System Configuration – Integration				
4.1. Document management must occur at the capturing point of all transactions.	☐	☐		
4.2. Create workflow and exception reporting mechanisms.	☐	☐		
5. Document Management				
5.1. Support secure and reliable document management including, but not limited to: 5.1.1. Document sharing; 5.1.2. Dedicated registry for document filling; 5.1.3. Document tracking; 5.1.4. Secure access to documents.	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
5.2. Document management should originate at the lowest level of transaction. (i.e. invoices should originate from creditors module)	☐	☐		
5.3. Scanned documents and images to be linked to each enquiry of the system (e.g. Assistance-to-the-Poor application scanned forms to be linked to the customer identification number on the system)	☐	☐		
6. Workflow must allow for reviews of:				
6.1. The tariff policy referred to in section 74 of the Municipal Systems Act, 2000;	☐	☐		
6.2. The rates policy as required in terms of the Municipal Property Rates Act, 2004;	☐	☐		
6.3. The credit control and debt collection policy referred to in section 96 of the Municipal Systems Act, 2000;	☐	☐		
6.4. The supply chain management policy referred to in Chapter 11 of the MFMA, 2003;	☐	☐		
6.5. The annual procurement plan;	☐	☐		
6.6. The asset maintenance plan;	☐	☐		
6.7. Any amendments made/ proposed to the municipality's policies or By-laws;	☐	☐		
6.8. The rates and tariffs promulgation;	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
7. Automated Workflow				
7.1. Where authorisations are across line functions, the process must be automated. Examples are deviations (section 36), Subsistence and Travel claims, Personnel Requisitions, Transfer of funds (virement Policy), Asset Transfer, Clearance forms, Works orders, Leave applications, etc.	☐	☐		

mSCOA SYSTEM

Name of system providing functionality		**Module**	**ACCOUNTS PAYABLE**

Module Checklist:

Functionality Required	**3.1 Training and Onsite Support**		**3.2 Annual Fees**	
	Yes	**3rd Party**		
1. Supplier maintenance				
1.1. Post supplier invoices, credit- and debit notes. Select documents to pay with payment dates	☐	☐		
1.2. Make payments and part payments. Allow for future and scheduled payments	☐	☐		
1.3. Align suppliers with debtors and HR modules	☐	☐		
2. Accounts Payable Must include, at a bare minimum but not limited to:				
2.1. Goods received notes for full or partial deliveries aligned to authorized issued purchase orders. Goods return notes with debit and credit orders	☐	☐		
2.2. Invoicing for goods received notes as partial or multiples invoice payments. Settlement discounts as allowed by suppliers	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
2.3. Selection of invoice payments on varied platforms. Bulk payment of invoices including direct linking to the banking sector. Producing of electronic remittance statements with automated distribution	☐	☐		
2.4. Direct invoice payment such as Eskom	☐	☐		
2.5. Sundry payments generated from payroll, billing or manual S&T transactions	☐	☐		
2.6. Re-occurring and scheduled payment such as lease amounts or quarterly loan repayments	☐	☐		
2.7. Retention register with auto mated update, pay-out and balancing	☐	☐		
2.8. A cession register linked to the PMU with automated allocations	☐	☐		
2.9. Age analysis of creditors with supporting reports	☐	☐		
2.10. Must be able to calculate accounts payable VAT reconciliations (including calculations on returns and discounts)	☐	☐		
2.11. The option to scan and store invoices and other documents on the supplier;	☐	☐		
2.12. A web portal for suppliers to enquire on payment status and uploading/submitting of invoices	☐	☐		

mSCOA SYSTEM

Name of system providing functionality		Module	GENERAL LEDGER

Financial accounting incorporates a host of policies, processes and procedures in order to operationalize the effective and efficient recording and accounting of daily financial transactions as well as month and year end closure procedures and transactions.

The MFMA provides a platform for the prescription of norms and standards such as the Standards of Generally Recognized Accounting Practices (GRAP) which have been designed and formulated based on unique South African circumstances (such as the VAT requirements which must be accommodated by the financial system) and leading international practices.

Municipalities and municipal entities are therefore required to operationalize daily business processes and procedures that incorporate at the very least regular reconciliations, correct and accurate allocation and classification of transactions based on the SCOA classification framework. These processes and procedures must give rise to monthly performance represented by among others, the Statement of Financial Performance, Capital and Grant Performance, Statement of Financial Position, movement in net assets and cash flow in the Section 71 in-year reporting formats.

It is important to keep in mind that outputs need to be reported and must at all times be measurable so that progressive achievements can benefit communities. Processes should be focused at clean and accountable operations and the outcome must be reported in terms of by all roll players.

Module Checklist:

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1. Contains all the accounts for recording transactions relating to municipalities assets, liabilities and net assets as per mSCOA segments	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
2. Is a central repository for accounting data transferred from all sub-ledgers e.g. supply chain, revenue, cash management, fixed assets, purchasing, debt control, billing, prepaid, and projects, etc.	☐	☐		
3. Reflect transactions posted in the sub-ledgers immediately in the main ledger thereby ensuring the financial integrity of the entire system without the need for manual reconciliations between main and sub-ledgers	☐	☐		
4. Notwithstanding the above and due to probable packet loss, a routine is required to ensure that the general ledger and sub-ledger is in balance. This must be done by enforcing daily closing routines with subsequent blocking of opening routines if out of balance occurrence with control accounts is observed	☐	☐		
5. Drill down to transactions from the general ledger (GL) to the sub-ledger or 3rd party systems for an audit trail	☐	☐		
6. Journal capturing capabilities (including reversible and recurring journals) including electronic approval	☐	☐		
7. Reporting functionality for all financial reports in the full mSCOA segmented transactions	☐	☐		

mSCOA SYSTEM

Name of system providing functionality		Module	INSURANCE MANAGEMENT

Module Checklist:

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1. Provide an insurance claims register with direct linking to the asset's module	☐	☐		
2. Derive valuation of assets to calculate insurance premiums from the asset register	☐	☐		
3. Write-off of assets from the insurance module must update and transact on the asset register as well as the GL	☐	☐		
4. Workflow with document management and reporting must be available	☐	☐		

mSCOA SYSTEM

Name of system providing functionality		**Module**	**INVESTMENT MANAGEMENT**

Module Checklist:

Functionality Required	**3.1 Training and Onsite Support**		**3.2 Annual Fees**	
	Yes	**3rd Party**		
1. An investment register with notifications/responses for the end of fixed investment periods (date of maturity) incorporated within the workflow. Updates from cashbook and payments must be seamless.	☐	☐		
2. Produce a reconciliation of the investment register with all required documentation.	☐	☐		
3. Investment Management and Register (parameter driven)	☐	☐		

mSCOA SYSTEM

Name of system providing functionality		**Module**	**LOAN MANAGEMENT**

Module Checklist:

Functionality Required	**3.1 Training and Onsite Support**		**3.2 Annual Fees**	
	Yes	**3rd Party**		
1. Loan Register				
1.1. A loan register capable of calculating repayments and schedule payments within the workflow.	☐	☐		
1.2. Produce a reconciliation of the loan register with all required documentation.	☐	☐		
2. Loan liability register	☐	☐		

mSCOA SYSTEM

Name of system providing functionality		**Module**	**COSTING**

Module Checklist:

Functionality Required	**3.1 Training and Onsite Support**		**3.2 Annual Fees**	
	Yes	**3rd Party**		
1. A full costing module aligned to the mSCOA costing segment to assist in calculation of tariffs and real costs. Charges must have a direct effect on tariffs. Therefore, it will be necessary to ensure direct link to Provisioning and payroll modules exist etc. through the application of internal billing departmental charges or activity-based recoveries.	☐	☐		
2. Management reporting on all charges should be available for reports as well as dashboard information.	☐	☐		

mSCOA System

Name of system providing functionality		Module	PROJECT MANAGEMENT

Module Checklist:

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1. Project Creation & Planning				
1.1. A comprehensive project module that allows for integrated development plan (IDP) objectives to be transferred into the project module for planning, budgeting and ultimately reporting purposes.	☐	☐		
1.2. The municipal budget module must be aligned to the project module.	☐	☐		
1.3. Projects registered in the project module must be aligned to the mSCOA Project segment.	☐	☐		
1.4. All segmentation of mSCOA must be incorporated into the project module, whereby a project-based budget is produced, informed by the integrated development plan (IDP) and giving input to the annual service delivery- and budget implementation plan (SDBIP).	☐	☐		
1.5. Capital acquisition, maintenance and replacements must be driven from the project module.	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1.6. Operating budget items such as operating expenditure on repairs and maintenance, operational costs and typical work streams must originate from the project module.	☐	☐		
2. Project Management				
2.1. Project management and stakeholder inputs must be controlled by clear business processes and user access controls.	☐	☐		
2.2. Projects net completed within a financial year must be carried over and work-in-progress (WIP) items registered.	☐	☐		
2.3. Project managers should have full access to their projects within the limitations of the budget and internal policies.	☐	☐		
2.4. Workflow processes must assist in project maintenance.	☐	☐		
2.5. Strict budget control as per the approved integrated development plan (IDP) must be maintained.	☐	☐		
3. Supply Chain Management (SCM) – Projects				
3.1. Must be able to support the generation of mandatory budget pricing at the beginning of the project and the maintenance thereof.	☐	☐		
3.2. Follow accepted project management methodology through workflow and document management.	☐	☐		
3.3. Allow for incentives, penalties and returns.	☐	☐		

mSCOA SYSTEM

Name of system providing functionality		Module	CASH MANAGEMENT

Module Checklist:

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1. Cashbook				
1.1. Automated receipting of bank deposits received	☐	☐		
1.2. Automated passing of journals for interest and other bank charges.	☐	☐		
1.3. Electronic payment of creditors and salaries	☐	☐		
2. Bank Reconciliation				
2.1. A fully integrated and automated cashbook module that links to the banking sector and allows for at least:	☐	☐		
2.2. Allow for multiple bank accounts and sweeping between accounts;	☐	☐		
2.3. Automated receipting of debtor payments and other monies received;	☐	☐		
2.4. Automated passing of journals for interest and other bank charges;	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
2.5. Automated clearing of system generated transactions such as payments; and	☐	☐		
2.6. Automated clearing of cash received in the general ledger (GL) to the bank account;	☐	☐		
2.7. Automated reconciliation of bank statements to the ledger and supplying supporting documentation for management.	☐	☐		
2.8. Forecasting of cash must be available on a dashboard.	☐	☐		
2.9. Support mSCOA segmentation in the cashbook module.	☐	☐		
3. Petty Cash				
3.1. A petty cash module that would allow for accounting for petty cash transactions and subsequent budget allocations and control as per mSCOA.	☐	☐		
3.2. Internal cash receipt with drawdown of petty cash.	☐	☐		
3.3. Automated payment requests with user authorisation and access control.	☐	☐		
4. The Cash Management System must at least accommodate, but not be limited to:				
4.1. Investment Management and Register (parameter driven).	☐	☐		
4.2. Interest Received and interest expense reconciliation	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
4.3. Cash Flow Management which includes forecasting and analysis and full integration with the budget and financial accounting modules	☐	☐		
4.4. Funds management and budget availability control	☐	☐		

mSCOA SYSTEM

Name of system providing functionality		Module	STORES AND INVENTORY MANAGEMENT

Requirement for an Inventory/Stores sub-system (At a minimum a Virtual Store).

Module Checklist:

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1. All consumable items in terms of the classification framework is purchased via an inventory principal. This include direct purchases like pens, stationary, etc.	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3[rd] Party		
2. In terms of the above, all systems should cater for a stores module be it virtual or actual that will allow management to control the consumable items in an effective and controlled manner.	☐	☐		
3. The stores module must seamlessly integrate and balance with the core financial system.	☐	☐		
4. Where a full stores module is operational, high value items should annually be measured to establish whether any of these items should be capitalized as ‘assets.	☐	☐		
5. Normal functions should be included as standard best practice and should include but not be limited to:				
5.1. Warehouse management	☐	☐		
5.2. Acquisitions	☐	☐		
5.3. Stock Level Management	☐	☐		
5.4. Disposals	☐	☐		
5.5. Automated consumable stores stock count sheets (departmental stores)	☐	☐		

Name of system providing functionality		Module	SUPPLY CHAIN AND CONTRACT MANAGEMENT

The Supply chain management system must give effect to section 11 of the Municipal Finance Management Act, 2003 (MFMA), the Municipal Supply Chain Management Regulations and council's approved SCM policy.

The Contract Management system must give effect to MFMA section 116.

Supply Chain Management, Expenditure Management and Accounts Payable (Creditors) needs to incorporate as a minimum the following:

(a) Supply chain management is the management of a network of interconnected business processes involved in the provision of goods and services required by the municipality. It integrates the management of supply, demand, acquisition, logistics and disposal by implementing a supply chain management policy in compliance with the MFMA and Municipal Supply Chain Management Regulations in a fair, equitable, transparent, competitive and cost-effective way;

(b) Expenditure management follows the SCM processes that should ensure an effective system of expenditure control, including procedures for the approval, authorization, withdrawal and payment of funds. These expenditures should be monitored against the approved budget, and reasons for variances must be explained and corrective action must be implemented to keep expenditure in line with budget estimates;

(c) Accounts payable results from any monies owed in respect of goods and services purchased and must be settled within thirty days of date of invoice or statement unless it is prescribed otherwise. The payment of creditors or accounts payable must be reconciled monthly according to the statements received from service providers;

(d) Material and inventory management deals with the maintenance of inventory catalogues classified according to the high-level categories provided for in the Standard Chart of Accounts. Business processes need to incorporate at a minimum, ordering; issuing and management of inventory levels; preferred suppliers linked to inventory categories; flagging of stock levels with limited movements for substantial periods; regular physical counts and reconciliation to system stock records; exception reporting and enhanced controls on stock items susceptible to misuse such as illegal stock-pilling; and all sub stores to be activated on the system;

(e) Contract management entails the management of contracts through the entire Contract Life Cycle so as to maximize value for money that includes procedures for planning; contract creation; collaboration; execution; administration; and close-out. Contracts should be listed in a contract register embedded into the financial application that automates all the activities necessary to manage the contract as informed and dependent on the nature of the work, the type of contract, the legal aspects and delivery timeframes. It also entails the activities carried out to determine whether the service provider and the municipality are performing adequately to meet the requirements in listed contracts that had been awarded through the procurement process and the prescriptions in the MFMA; and

(f) Vendor management entails managing a supplier database in support of various strategic procurement objectives.

Module Checklist:

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1. Supplier Maintenance				
1.1. Creating a supplier database.	☐	☐		
2. Supply Chain Management (SCM)				
2.1. Allow for requisition from the annual procurement plan;	☐	☐		
2.2. Align requisition to be project based;	☐	☐		
2.3. Supplier rotation management (parameter driven);	☐	☐		
2.4. Supply Chain Deviation Management Facility in terms of legislation;	☐	☐		
2.5. Adhere to the municipality’s delegation of duties and authority levels;	☐	☐		
2.6. Electronically validate against the National Treasury database for prohibited, employees of state and related parties and invite tenders based preferential procurement principals;	☐	☐		
2.7. Electronically manage the invitation, bid closure and adjudication process with a full document management server unpinning the cycle;	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
2.8. Record and electronically store the bid adjudication committee's meeting minutes and store the minutes on the document management server;	☐	☐		
2.9. Ensure the service level agreement (SLA) and allocation letters are electronically archived prior to any payment being made;	☐	☐		
2.10. Enforce where applicable retention enforcement and manage retention registers;	☐	☐		
2.11. Ensure tax clearance management for the duration of the contract;	☐	☐		
2.12. Integrate with the asset management system;	☐	☐		
2.13. Ensure that all payments are made within 30 days of receipt of an invoice therefore; and	☐	☐		
2.14. Ensure that full accrual is done at month-end and year-end cut-off periods.	☐	☐		
3. Supplier Evaluation				
3.1. Evaluate supplier performance in accordance with contract deliverables.	☐	☐		
3.2. Update incentives and penalties to supplier database.	☐	☐		
3.3. Automate notification alerting relevant system users when a supplier's BEE certificate and tax certification reach expiry dates.	☐	☐		
4. Request for quote, quotations and Request for proposals				

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
4.1. Maintain a Request for quote, quotations and proposals database linked to suppliers.	☐	☐		
4.2. Automated notification of price differences outside of approved variance.	☐	☐		
4.3. Automated evaluating of quotations with parameters.	☐	☐		
4.4. Comparative tables for allocation of bids.	☐	☐		
4.5. Automated notification and ordering system.	☐	☐		
4.6. Workflow and document management in quotation process.	☐	☐		
5. Purchase Order Processing (PO)				
5.1. Allow for automated purchase orders from approved requisitions.	☐	☐		
5.2. Electronic authorizing and signing of purchase orders (PO's) through workflow process.	☐	☐		
5.3. Automated sending of purchase orders (PO's) to supplier through email and/or fax.	☐	☐		
5.4. Processing of partial order deliveries with automated reminders of outstanding items.	☐	☐		
5.5. Automated transfers of outstanding orders to future periods with budget controls.	☐	☐		
5.6. Align purchase order (PO) deliverables to the annual service delivery- and budget implementation plan (SDBIP).	☐	☐		
6. Contract Management				

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
6.1. Contract management through workflow and audit trail.	☐	☐		
7. Requisitions				
7.1. Different requisition origination such as online, manual, stores and other modules.	☐	☐		
7.2. Project based requisition forms.	☐	☐		
7.3. mSCOA segmented capturing.	☐	☐		
7.4. Ability to attach documents to online requisitions such as drawings or specifications.	☐	☐		
7.5. Must support full workflow and electronic signatures.	☐	☐		

mSCOA SYSTEM

Name of system providing functionality		Module	GRANT MANAGEMENT

Grant management includes all the activities, processes and procedures to register and reconcile all the grants allocated, received and spent according to the conditions in the Annual Division of Revenue Act.

Module Checklist:

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1. Provide for a grant register linked to ledger accounts.	☐	☐		
2. Automate receipt allocation of grants.	☐	☐		
3. Automate payment allocations and transfers from unspent accounts to revenue.	☐	☐		
4. Link to mSCOA funding source with budget control.	☐	☐		
5. Provide for reporting in accordance with the mSCOA Regulation and internal control.	☐	☐		

mSCOA SYSTEM

Name of system providing functionality		Module	ASSET MANAGEMENT

In terms of Section 152 of the Constitution, local government's primary mandate is to ensure services are provided in a sustainable and developmental manner; this notion and spirit is supported by the MFMA. Good asset management facilitates the provision of services in a financially sustainable manner and requires adequate automation of critical process within the asset management cycle.

Typical to an effective and efficient system at least the following functions need to be addressed as part of the minimum business process requirements –

(a) Safeguarding of assets, e.g. asset tracking, numbering and locations;
(b) Maintaining assets, planned and unplanned maintenance which needs to also incorporate capital asset renewal;
(c) Maintenance costing as an input into asset replacement plans;
(d) Establishing and maintaining a management, accounting and information system that accounts for the assets of the municipality;
(e) Asset valuation principles in accordance with Generally Recognized Accounting Practice (GRAP);
(f) Establishing and maintaining systems of internal control over assets;
(g) Establishing and maintaining an asset register;
(h) Clarifying responsibilities and accountabilities for the asset management process, and
(i) Insurance of assets.

An asset and liabilities subsystem must give effect to the MFMA section 63:

- Assets classes with its associated asset types to manage the accounting policy statements in the financial statements as well as give overall control of all assets within asset classes with its associated useful lives and its associated SCOA reporting framework.

It should also include the NERSA Regulatory Reporting Manual (RAM) classification as well as the Department of Water Affairs (DWA) in order for the municipality to comply with NERSA and DWA requirements.

All asset transaction types must be accommodated in a flexible manner to accommodate future expansion within the SCOA framework. An audit Trail, with an enquiry facility into the audit trail, of all movement within these files is a requirement.

Module Checklist:

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1. Asset management sub-ledger budget module that as a minimum:				
1.1. Allows budgeting for "new capital" projects requested in the integrated development plan (IDP).	☐	☐		
1.2. Anticipates completion and subsequent operational costs of these "new capital" projects.	☐	☐		
1.3. Calculates existing and anticipates new planned assets' maintenance, insurance and a percentage of "un-planned" maintenance.	☐	☐		
1.4. Calculates depreciation, taking into account the impact of major repairs.	☐	☐		
1.5. Calculates profit or loss on planned disposals.	☐	☐		
1.6. Provides for a (contract) retention payment schedule.	☐	☐		
1.7. Provides for grant and work-in-progress (WIP) or contract management payment schedules to assist the main budget module with its forecasting and cash flow management.	☐	☐		
1.8. Supplies the general ledger's main budget module planned budgets with the full mSCOA segments as a budget line. This functionality should be able to provide this for both expenditure and balance sheet items.	☐	☐		
1.9. Provide the asset maintenance plan	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
2. Fixed Asset Management				
2.1. Trace all financial asset transactions to the asset level.	☐	☐		
2.2. Ensure that all asset transactions are aligned with mSCOA Regulations.	☐	☐		
3. Asset Management System				
3.1. Manage the full asset life cycle;	☐	☐		
3.2. Manage the contract and build phase of the project by registering the component and rolling the accounting transaction up to the work-in-progress (WIP);	☐	☐		
3.3. Immediately after a completion certificate is received, unbundle assets and maintain the parent-child relationship between the main asset and its components;	☐	☐		
3.4. Enable table-to-floor inspection sheets (electronic devises are preferred) as well as floor-to-table look-up methodologies;	☐	☐		
3.5. Host the insurance register and constantly update the portfolio as new assets are purchased or if there is progress on the value of work-in-progress (WIP);	☐	☐		
3.6. Compile and monitor expenditure against the asset maintenance plan;	☐	☐		
3.7. Integration to billing systems to monitor investment properties and valuation inconsistencies;	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
3.8. Utilize the billing system functionality to ensure ownership of land and buildings to the deeds register;	☐	☐		
3.9. Integration of the electronic scanning and verification device. The purpose is to ensure annual verification and conditional assessment with GPS co-ordinate capturing to the nearest extent possible; and	☐	☐		
3.10. Seamless integration with a Geographical Information System (GIS) or alternative mapping enabled graphical user interphase.	☐	☐		
4. Identification of Assets				
4.1. Ability to identify and track assets in a hierarchy structure of departments, locations, components and sub-components.	☐	☐		
4.2. Define Cost Centers, Work Centers, assigning of re-servicing the equipment to an individual.	☐	☐		
4.3. Allow for criticality rating to be assignable to each asset via the risk assessment model.	☐	☐		
4.4. Ability to link movable assets to third party asset tracking systems.	☐	☐		
5. Maintenance Strategies				
5.1. Must be able to configure different strategies.	☐	☐		
5.2. Ability to attach and insert links to Technical Documentation throughout the maintenance module.	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
5.3. Must cater for a master maintenance schedule with reporting of 'maintenance done'.	☐	☐		
5.4. Must be able to indicate the lifespan of equipment for replacement budgeting purposes.	☐	☐		
5.5. Must be able to track warranty periods by components.	☐	☐		
5.6. Support call center notifications and maintenance of assets with integrated workflow.	☐	☐		
6. Fleet Management system	☐	☐		

mSCOA SYSTEM

Name of system providing functionality		**Module**	**REAL ESTATE AND RESOURCES MANAGEMENT**

Real estate management includes the management of land plus anything permanently fixed to it, including buildings, sheds and other items attached to the structure that are both lease-in and lease-out. It can be grouped into three broad categories based on its use - residential, commercial and industrial.

Examples of real estate include undeveloped land, houses, condominiums, town homes, office buildings, retail store buildings and factories. Specific attention needs to be given to the property register inclusive of owned and leasehold properties, tenant and occupant information, lease contract administration and management, occupational health and safety requirements, insurance, etc. Other resources management among others include fleet (vehicle) management, plant and equipment, etc. including the hiring thereof.

Module Checklist:

Functionality Required	**3.1 Training and Onsite Support**		**3.2 Annual Fees**	
	Yes	**3rd Party**		
1. Rent out				
1.1. Maintain a rent register for rental properties.	☐	☐		
1.2. Holiday resort systems.	☐	☐		
1.3. Automated rent renewals with workflow and document management.	☐	☐		
1.4. Link to debtors' system for collection of rent.	☐	☐		
2. Facilities rental module updated from receipting with workflow refunds.	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
3. Rent in				
3.1. Lease register with workflow and document management.	☐	☐		
3.2. Automated payment scheduling.	☐	☐		
4. Maintenance				
4.1. Maintenance module for properties and facilities.	☐	☐		
4.2. Facilities Management (Maintenance).	☐	☐		

Name of system providing functionality		Module	HUMAN RESOURCE AND PAYROLL MANAGEMENT

Human resources and payroll management is the organizational function that deals with issues related to employees such as compensation, hiring, performance management, organizational development, safety, wellness, leave management, benefits, employee motivation, communication, administration, and training in line with the prescriptions of the Labor Relations Act.

Staff establishment, human resources development and expenditures on staff benefits should be done according to the processes and procedures set out in the MSA and MFMA.

Pay roll management entails the administration of the financial record of employees' salaries, wages, bonuses, net pay, and deductions and should be done within the limits of the approved budget and the prescriptions of the South African Revenue Services (SARS).

Budgeted remuneration and benefits need to be directly aligned to the approved staff establishment with provision for vacancies shown separately and all staff payments must be reconciled monthly.

The issue of productivity or performance management needs to be addressed by using the latest available technologies such as bio metrics devices.

Module Checklist:

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1. A Human Resource (HR) budget/ payroll module must as a minimum:				
1.1. Allow the municipality to budget for its full organogram (organizational structure) Payroll budgeting module.	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1.2. Incorporate the ability to apply costing allocation to projects and percentage (%) based allocation of administration costs to trading service departments (if not allocated) using direct calculation methods.	☐	☐		
1.3. Provision to calculate new notch values within grades either as a percentage increase or by minimum value. These notch values are to be held on a temporary file and the user must be able to perform various "what if" scenarios without affecting the live data.	☐	☐		
1.4. Ensure that the planned positions is budgeted for pro-rata to when the expected appointment can be done.	☐	☐		
1.5. Utilizing historical trends, calculate the likely provision for leave and bonus provisions. This function should also be able to anticipate (if applicable) any long service allocations.	☐	☐		
1.6. Supply the general ledger's main budget module with counts of the actual and planned positions (organogram) budgets for the full mSCOA segments as a budget line. The functionality should be able to provide this for both expenditure and balance sheet items.	☐	☐		
2. Human Resource (HR) payroll module must as a minimum (In addition to the normal payroll calculation) provide for:				
2.1. Organization Management	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
2.2. Employee Records Management	☐	☐		
2.3. Leave Records Management	☐	☐		
2.4. Leave Pay Accrual to be automated also to be retrieved on an ad hoc basis	☐	☐		
2.5. E-Leave functionality	☐	☐		
2.6. Training and Development Management	☐	☐		
2.7. Recruitment and Selection Management	☐	☐		
2.8. Performance Management	☐	☐		
2.9. Travel claims Management	☐	☐		
2.10. Human Resource Self Service	☐	☐		
2.11. Talent Management	☐	☐		
2.12. Career Path Management	☐	☐		
2.13. Payroll and Benefits Management	☐	☐		
2.14. Automated reconciliation at predetermined intervals.	☐	☐		
2.15. Overtime claims Management/ Time off in lieu	☐	☐		
2.16. Special Allowance Management (e.g. acting, secondments, etc.)	☐	☐		
2.17. Refunds to staff in respect of over-deductions and ad hoc payments	☐	☐		
2.18. Deductions and payments to third parties (e.g. medical aids, SARS, union contributions, etc.)	☐	☐		
2.19. Ad hoc payroll runs must reflect in the Financial Management System	☐	☐		
2.20. Must cater for pensioners' benefits	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
2.21. Provision to record allowance details against a post and employee (e.g. Telephone Allowance, categories, amounts, telephone number etc.)	☐	☐		
2.22. Employee Relations	☐	☐		
2.23. The system must cater for all requirements of the South African Revenue Services (SARS)	☐	☐		
2.24. Must provide a facility to automate the update of tax tables whenever changes occur	☐	☐		
2.25. History of previous tax tables must be retained on the system for an indefinite period.	☐	☐		
2.26. The system must be flexible so as to cater for any legislative changes to UIF, Workman's Compensation, Unions, etc.	☐	☐		
2.27. The system must be able to cater for more than 1 payroll type (e.g. Staff, Pensioners, etc.)	☐	☐		
2.28. Narrative type pay slips must be provided (Hard copy and electronically)	☐	☐		
2.29. Accumulations of all deductions to be printed on pay slip if required (Pension, tax, housing allowance, motor car allowance, etc.)	☐	☐		
2.30. Salary payments made to employees' bank accounts must be catered for electronically by either ACS (Automated Clearing Bureau) or electronic funds transfer (EFT)	☐	☐		
2.31. Provide a payment hold facility	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
2.32. Third Party deduction and payments in terms of schedules or ad hoc basis	☐	☐		
2.33. Variance reporting	☐	☐		
2.34. The ability to calculate back pay across tax periods and increment periods must be provided for	☐	☐		
2.35. The system must allow for dummy validation pay runs to be carried out prior to running the final run	☐	☐		
2.36. All temporary staff (e.g. seasonal workers, learner ship programs, contract workers, etc.) to be controlled via Budget availability	☐	☐		
2.37. Provision to maintain (add, amend, delete) conditions of service pertaining to specific posts	☐	☐		
2.38. The Payroll System must be able to accommodate or account for all vacancies (i.e. funded and or unfunded vacancies) based on a Council approved Organogram in terms of. Section 66A of the Municipal Systems Act Amendment Act (MSAA)	☐	☐		
2.39. Budget control and management of virement requirements	☐	☐		
2.40. Ensure that all employees' and councilors' declaration of interest and related parties are captured on the master files	☐	☐		
2.41. Bank account monitoring against supplier and/ or contract payment AND against own and related parties bank accounts	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
2.42. Test against the central database for contracts with any ‘organs of state’/ "persons in the service of state" and supply the central database with employees’ and related parties’ details	☐	☐		
2.43. Supply the central database with the identification (ID) numbers of employees, councilors and related parties	☐	☐		
2.44. Report and create the workflow for collection of all employees and councilors with arrear accounts	☐	☐		
2.45. Provide the financial statements with regulated reporting requirements regarding the municipal councilors’ outstanding debtor account details	☐	☐		
2.46. Provide the general ledger (GL) with transactions that debit expenditure and credit revenue votes when applicable. This creates a temporary total liability of the payroll balance on the integration control	☐	☐		
2.47. Create the clearing transactions that clear the integration control, these transactions include:				
2.47.1. Electronic funds transfer (EFT) to employee’s bank accounts into the core financial systems cashbook awaiting approval;	☐	☐		
2.47.2. Creation of "invoices" for 3rd parties, SARS (PAYE, VAT, etc.), UIF, Medical aid and pension funds;	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
2.48. Provide for an employee portal to update personal information and re-produce documents	☐	☐		
2.49. The system must support a disciplinary module which should allow for (not complete list): • Grievances created (bottom up workflow) • System should recommend action to be performed based on type of grievance • Allow for exception reporting (when a grievance is not being addressed in correct time frame)	☐	☐		
3. Time Management	☐	☐		
3.1. Work schedule and shift planning.	☐	☐		
3.2. Time data recording and administration.	☐	☐		
4. Payroll	☐	☐		
4.1. Must be able to easily integrate with banks. Seamless upload of payroll information	☐	☐		
4.2. Support multiple payrolls with different pay structures	☐	☐		
4.3. Produce, in conjunction with the Human Resource system, a multi-year budget in the mSCOA segmentation	☐	☐		
4.4. Integrate with the time management system	☐	☐		
4.5. Ability to submit statutory reporting to SARS for all taxes	☐	☐		

mSCOA SYSTEM

Name of system providing functionality		Module	CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION

Each municipality must within its financial and administrative capacity establish a sound customer management system as prescribed in the MSA. Credit control and debt collection is the responsibility of the municipality and processes, procedures and mechanisms must be implemented in line with the policy as adopted by the Council as prescribed in the MSA.

Module Checklist:

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1. A credit control and debt collection system that integrates with the revenue management system, that gives effect to Chapter 9 of the Municipal Systems Act, 2000, must:				
1.1. Provide for SMS, email and hand delivered late payment notifications;	☐	☐		
1.2. Provide for parameter-based disconnection list generation;	☐	☐		
1.3. Manage re-connection and arrangements with integrated notes on the debtor master file and workflow with technical services;	☐	☐		
1.4. Integrated clearance applications and calculations;	☐	☐		
1.5. Final demand and summons issuing; and	☐	☐		
1.6. Management of attorney actions on an integrated level.	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
2. Debtor Classification and Categorization				
2.1. Indigent Management (Assistance-to-the-Poor).	☐	☐		
2.2. Indigent Register must be accommodated in a workflow of various administration processes including, but not limited to:	☐	☐		
2.2.1. Online Application;	☐	☐		
2.2.2. House visit;	☐	☐		
2.2.3. Capturing of details;	☐	☐		
2.2.4. Authorization of application;	☐	☐		
2.2.5. Automated Subsidy, Write Off and reversals thereof.	☐	☐		
3. **Arrear arrangement** functionality must be accommodated in a workflow of various administration processes including, but not limited to:				
3.1. Online Application;	☐	☐		
3.2. Authorization of application;	☐	☐		
3.3. Automated arrangement financials;	☐	☐		
3.4. Automated Default process;	☐	☐		
3.5. Irrecoverable Debt Write Off process;	☐	☐		
3.6. Restriction and Reinstatement of Credit and prepaid meters;	☐	☐		
3.7. Meter Tampering Management;	☐	☐		
3.8. Debtor (individual/group) dashboard;	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
3.9. Management facility to monitor Debtors that are also Service Providers (creditors) set off Management;	☐	☐		
3.10. Management of staff arrear set off.	☐	☐		
4. **Customer portals** to give effect to Section 95 of the Municipal Systems Act, 2000 which (amongst other) requires the following:				
4.1. Aims to create a positive and reciprocal (give-and-take) relationship between persons liable for payments and the municipality;	☐	☐		
4.2. Establishes mechanisms for users of services and ratepayers to provide feedback to the municipality or other service providers/ mechanisms (of the municipality) regarding the quality of the services and the performance of the municipality or its service providers/ mechanisms;	☐	☐		
4.3. Provides accessible mechanisms to any person to query or verify municipal accounts and metered consumption;	☐	☐		
4.4. Enables electronic query and appeal procedures which allow persons to receive prompt response/ action to ‘inaccurate accounts’ queries;	☐	☐		
4.5. Enables structured workflow mechanisms to deal with complaints from such persons, together with prompt replies and corrective action by the municipality;	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
4.6. Mechanisms to monitor the municipality's response time and efficiency in complying with the above; and	☐	☐		
4.7. Provides for accessible, secure and electronic payment channels.	☐	☐		
5. **Customer Relations Management & Community Liaison**				
5.1. Able to automate customer registration.	☐	☐		
5.2. Automate the registration of services (water, electricity & prepaid electricity).	☐	☐		
5.3. Automate the allocation of funds to the customer to trigger instruction to unblock/ reconnect suspended service.	☐	☐		
5.4. Automated customer correspondence capabilities which includes, but is not limited to, automated responses to customer enquiries, linking a reference number to the customer's account.	☐	☐		
5.5. Updates on statements which will reflect latest adjustments.	☐	☐		
5.6. Integrate community liaison (e.g. service interruptions).	☐	☐		
5.7. Account payments and cashier balancing on one system.	☐	☐		
5.8. Must have real time reflection of payments.	☐	☐		

mSCOA SYSTEM

Name of system providing functionality		Module	VALUATION ROLL MANAGEMENT

The valuation roll forms the basis for the levying of assessment rates and all processes and procedures are governed by the Municipal Property Rates Act, 2004 (MPRA). All categories of properties in the municipal boundary need to be recorded and maintained in a municipal register of properties including the value of land and improvements as described in the MPRA.

Municipalities are required to undertake interim valuations to ensure the property valuation roll is constantly maintained and updated. Importantly, the business processes need to ensure integration with the revenue value chain of the municipality and the billing processes and procedures.

Module Checklist:

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1. Valuations Module to give effect to the Municipal Property Rates Act, 2004, and as a minimum:				
1.1. Seamlessly integrate with the revenue management module.	☐	☐		
1.2. Integrate information for spatial analysis in a Geographical Information System (GIS).	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1.3. Integrate with the building control system used in the municipality to ensure completion of additions and new buildings get immediately updated on the billing sub-system.	☐	☐		
1.4. Integrate with the land use system to ensure appropriate tariffs is timeously applied.	☐	☐		
1.5. Integrate with the Surveyor General (SG) database and town planning systems in use at the municipality.	☐	☐		
1.6. Integrate with the deeds registry and monitor actual sales with current valuations as well as ownership against the billing system.	☐	☐		
1.7. Validate and report anomalies in the asset register on municipal owned properties.	☐	☐		
1.8. Provide the municipal website with the Municipal Property Rates Act, 2004 required A&B valuation rolls.	☐	☐		
2. Managing and calculation of property rates, special rating areas and service charges on a property subject to a number of requirements including but not limited to:				

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
2.1. The valuation of property will be performed in the separate (Computer Assisted Mass Appraisal) system and the individual property values and relevant property attributes passed to the Solution via an interface with valuation module. Data to be validated and managed within the Solution in compliance with legislation policies and business rules to enable calculation of property rates.	☐	☐		
2.2. Property Rates and service charges are calculated at different tariffs depending on various criteria such as the category of the property.	☐	☐		
2.3. Functionality is required to exempt certain categories of property and/ or certain categories of property owners from rates.	☐	☐		
2.4. Functionality is required to calculate a rebate or a reduction in rates in compliance with the requirements of legislation and/ or business rules.	☐	☐		
2.5. Functionality is required for the phasing in of rates in compliance with legislation.	☐	☐		
2.6. Clearance Certificate Management to be online and comply with Section 118 of the Municipal Systems Act, 2000.	☐	☐		

mSCOA SYSTEM

Name of system providing functionality		**Module**	**LAND USE AND BUILDING CONTROL**

Land use management is a process of managing the use and development of land. Aspects need to include spatial, urban policy usage, and economic considerations. A land use management system needs to include all processes, methods and tools used for organizing, operating and supervising the urban environment including the factors influencing it.

A management system needs to cover all phases from the vision behind the preparation of plans and decisions to their implementation and the monitoring of impacts. Planning practices, decision making processes, procedures, implementation, monitoring mechanisms, methods and tools used in the above-mentioned phases are all elements of an integrated system.

In general, land use management is driven by various decisions taken at different levels of administration (local, regional, national). Building management incorporates all activities relating to township management such as building plan approvals, rezoning applications, illegal land usage and Municipal By-laws management. Importantly, the land and building management needs to be integrated with the revenue value chain of the municipality.

Module Checklist:

Functionality Required	**3.1 Training and Onsite Support**		**3.2 Annual Fees**	
	Yes	**3rd Party**		
1. Land use - Property maintenance				
1.1. Property register providing for all land in the municipal area.	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1.2. Town, township, suburb, street, erf, subdivision and sectional title detail must be aligned to the deed's office and Demarcation Board specifications.	☐	☐		
1.3. Integration with billing and valuation systems.	☐	☐		
1.4. Alignment of ownership must be verifiable with the deed's office.	☐	☐		
1.5. Property transfers, subdivisions, consolidations and zoning changes must be system process with workflow and document management driven.	☐	☐		
2. Integration with external stakeholders				
2.1. Must be able to align property register with the Surveyor General register.	☐	☐		
2.2. Where a 3rd party GIS system is used integration should be seamless.	☐	☐		
2.3. Integration with the asset register for municipal properties.	☐	☐		
3. Building Control - Integration to the Town Planning function				
3.1. Building plan submission and approval.	☐	☐		
3.2. Document management for building plans and zoning certificates.	☐	☐		

mSCOA SYSTEM

Name of system providing functionality		Module	BILLING

The valuation roll forms the basis for the levying of assessment rates and all processes and procedures are governed by the Municipal Property Rates Act, 2004 (MPRA). All categories of properties in the municipal boundary need to be recorded and maintained in a municipal register of properties including the value of land and improvements as described in the MPRA.

Municipalities are also required to undertake interim valuations to ensure the roll is constantly maintained and updated. Importantly, the business processes need to ensure integration with the revenue value chain of the municipality and the billing processes and procedures.

The Revenue management module must give effect to MFMA section 64.

Module Checklist:

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1. **In addition to the standard minimum functionality in the MFMA, the billing system must:**				
1.1. Measure and flag anomalies of the current database transaction (all services) against alternative information sources such as Surveyor General (SG), Deeds and valuation rolls to ensure completeness of actual billing;	☐	☐		
1.2. Calculate and account monthly for the provision of bad debt;	☐	☐		
1.3. Integration of Prepaid at a minimum of a ‘debtor per tariff ‘-code per region, monthly bill the consolidation sales amount and daily receipt the sales;	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1.4. Provide accessible pay points and other mechanisms for settling accounts or for making pre-payments for services;	☐	☐		
1.5. Provide adequate information for spatial analysis in a Geographical Information System (GIS) system;	☐	☐		
1.6. Create and Maintain Regional Structure;	☐	☐		
1.7. Integrate with valuation and property systems;	☐	☐		
1.8. Allow for multiple billing cycles;	☐	☐		
1.9. Create and maintain a tariff structure to comply with mSCOA Regulations;	☐	☐		
1.10. Produce monthly invoices to debtors and group accounts;	☐	☐		
1.11. Allow for rebates and penalty levies.	☐	☐		
2. **Specific but not limited requirements**				
2.1. Must have report writing capabilities for standard & Ad hoc reporting (daily, monthly & annual).	☐	☐		
2.2. Maintenance of tariffs as per the tariffing section.	☐	☐		
2.3. Integrate with debt collection for disconnections and reconnections.	☐	☐		
2.4. Integration into 3rd party software for receive readings taken.	☐	☐		
2.5. Must be able to store infrastructure (metering) diagrams which will show the physical location of meter in order to be able to drill down to all of the relevant information concerning the meter in question.	☐	☐		
2.6. Must have a full process and document flow for terminations and re-connections of services and the relevant documentation.	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
2.7. Must integrate with the Geographical Information System (GIS) to the extent that reticulation of services can be viewed as a layer at any point in time within the context of the current property being worked on.	☐	☐		
3. **Billing Reporting and Tariff Maintenance**				
3.1. Must be able to do consolidated billing of properties (all services and rates into one bill): As Municipalities are working within the determination of the Municipal Property Rates Act, 2004, a property relational database design is critical. The respective debtor is secondary to that.	☐	☐		
3.2. Generate statements at any point in time and consolidate at customer level.	☐	☐		
3.3. Flexible tariff building structure and design. System must be capable of inclining block tariffs based on daily, monthly, or annual rate scales.	☐	☐		
3.4. Must allow for the maintenance of tariffs as per the tariffing section.	☐	☐		
3.5. Customer must be able to nominate between mailing, MMS or e-mailing of monthly statement.	☐	☐		
4. **Transactions in debtors must reflect in the Accounts Receivable Module in mSCOA segmentation and must provide a debtor master record containing at least but not limited to:**				
4.1. Debtor classes and discount categories to ensure correct billing and rebates;	☐	☐		
4.2. Trade, sundry and other debtor types to comply with mSCOA requirements;	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
4.3. Debtor levies in mSCOA segmentation to the Accounts Receivable;	☐	☐		
4.4. Receipt allocation to AR in the correct mSCOA segmentation;	☐	☐		
4.5. Daily balancing between sub-system and AR; and	☐	☐		
4.6. Month-end and year-end procedures to ensure correct disclosure of cash on hand and age analysis.	☐	☐		
4.7. Drill down to transactions from the general ledger (GL) to the sub-ledger or 3rd party systems.	☐	☐		

mSCOA SYSTEM

Name of system providing functionality		Module	METER MANAGEMENT

Module Checklist:

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1. Functionality is required to link the numbered meter that is used to measure the consumption of services to the erf/ property on which the meter is installed. It is important to note that there may well be more than one meter per erf/ property	☐	☐		
2. Functionality is required to categories meters	☐	☐		
3. The Solution must be able to record the relationship of each meter to the property and track meter readings and relevant history of each meter individually	☐	☐		
4. Functionality is required to link the Debtor to the numbered meter that is used to measure the Debtor consumption of services. It is important to note that a Debtor may well be linked to a number of meters. (E.g. a landlord with a number of leased properties). (MSA section 95d)	☐	☐		
5. Functionality is required to create and maintain practical and efficient meter reading routes	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
6. Functionality is required to capture and record the meter reading and the date on which the meter was read. At least the following methods of capture must be provided, namely:				
6.1. Capture via standard keyboard entry;	☐	☐		
6.2. Receiving meter readings electronically from a third-party interface. Automated uploading and validation will be required.	☐	☐		
7. Meter readings must be retained at a transaction level and may not be overwritten, deleted or adjusted. Errors must be rectified by entering a cancelling entry and entering the correct reading.	☐	☐		
8. Functionality is required to calculate charges for services consumed according to user defined algorithm which may contain a number of variable factors in order to determine the correct tariffs to apply.	☐	☐		
9. Functionality is required to raise the charges against a debtor's account according to a user defined billing cycle (which may coincide with the meter reading cycle for an area).	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
10. In the event of a meter being read 'out of cycle' the charges may be raised to the debtors account on an 'ad hoc' basis. These charges raised must be visible on the debtor's account immediately but will not generate an invoice immediately as it will be included on the standard invoice/ statement generated during the next billing cycle.	☐	☐		
11. In the event that a meter reading is not received, functionality is required to calculate an estimated consumption, according to a user-maintained algorithm.	☐	☐		
12. Functionality is required to recalculate an account from all meter transaction history, taking into account any tariff changes, or from a specific starting point in the history on an ad hoc basis with the option to accept or discard the result. (i.e. the recalculation will be regarded as a 'what if' with the option to make it 'live').	☐	☐		
13. Meter management system must be integrated/ interfaced with the Billing Component.	☐	☐		
14. Prepaid electricity meters:				
14.1. Functionality that is an integral part of the Billing interface to its prepaid vendor;	☐	☐		
14.2. Automated blocking and arrear set off functionality is required.	☐	☐		
15. Water inventory managing.	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
16. Functionality is required to manage an Inventory of Water Meters. This to be work flowed as certain steps are dependent on others.	☐	☐		
17. Reports/ extracts including but not limited to:				
17.1. Water Meter maintenance management;	☐	☐		
17.2. Various statistical extracts and reports.	☐	☐		

mSCOA SYSTEM

Name of system providing functionality		Module	POINT OF SALE/ REVENUE RECEIPTING AND OTHER REVENUE/BILLING

Module Checklist:

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
1. Must adhere to applicable legislation and by-laws.	☐	☐		
2. Allow for all accepted payment methods at cashiers, including automated payment and clearing of card payments.	☐	☐		
3. To accommodate fully automated processing of multiple receipting streams including but not limited to:				
3.1. Payroll;	☐	☐		
3.2. Third Party vendors (e.g. Absa, Easy Pay, Prepaid Vendor, etc.);	☐	☐		
3.3. Cash Offices;	☐	☐		
3.4. Traffic;	☐	☐		
3.5. Other Municipal Directorates (e.g. Fresh Produce Market, Libraries, etc.).	☐	☐		
4. To cater for multiple bank accounts.	☐	☐		
5. Processing of payments at supervisor-controlled cash offices to accommodate cashier opening, balancing and closing.	☐	☐		
6. Multiple daily and monthly online and automated reconciliations.	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
7. Receipting to be online.	☐	☐		
8. Cash payments must be able to be processed during database server and network downtime.	☐	☐		
9. All pay points and receipting streams to be uniquely identifiable in the sub ledger and general ledger.	☐	☐		
10. Receipting to also accommodate specialized payment types e.g. Rates Clearance, Arrear Debt arrangements, Assistance-to-the-Poor, Service Deposits, etc.	☐	☐		
11. To accommodate the correction of erroneous and/or rejected receipts.	☐	☐		
12. Facility to reverse "refer to drawer"(R/D) for Cheques, debit orders and IVR payments.	☐	☐		
13. To facilitate debit orders.	☐	☐		
14. Printing and re-printing (marked as "Copy Receipt") of receipts.	☐	☐		
15. Interface with barcode scanner to scan account numbers from the statements.	☐	☐		
16. Recording of cheque details.	☐	☐		
17. Reversal of receipt and associated interest where applicable.	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
18. While the billing process itself follows standard accounting practices for raising debit and credit transactions, the tariffs of charges and the business rules that govern the selection of the Appropriate tariff are complex. The Solution will provide functionality to calculate the amounts due for services and levies in accordance with the determined tariffs and business rules.	☐	☐		
19. Calculate the income due to the municipality for services and/ or products or property, on a regular, user defined and maintainable basis.	☐	☐		
20. Generate invoices and/or statements for the amounts payable to the municipality on a regular, user defined and maintainable basis.	☐	☐		
21. Group accounts into one or more 'billing cycles' based on user defined criteria.	☐	☐		
22. Provides the facility to charge interest on arrears amount subject to certain user defined provisions and according to user maintainable rates.	☐	☐		
23. Functionality is required to raise debit and credit transactions which are updated to a Debtor account. The functionality must provide for the following transaction sources:	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
23.1. Calculated transactions - these transactions will be the result of a calculation that is subject to user defined business rules to determine the tariff to be used, special conditions that may apply to be used, discounts or rebates to be applied etc.;	☐	☐		
23.2. Manually Input transactions - these transactions are captured by a user and will reflect all the details of the transaction;	☐	☐		
23.3. Electronic transactions - these transactions are received electronically, which then must be identified and raised to the relevant Debtor account.	☐	☐		
24. Transactions will be classified by type e.g. billing transaction, receipt transaction, journal transaction etc. The definition of a transaction type must be user maintainable.	☐	☐		
25. AIl transactions, regardless of type and origin, must be date/time stamped and have the user/origin included in the record. A narration I description field must be available whereby a short description of the transaction can be recorded.	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
26. Functionality is required to correct and recalculate incorrect accounts with full audit trail of actions taken to rectify the error. This could include the recalculation of interest over different financial periods at different rates. (MSA section 95f).	☐	☐		
27. Account maintenance functionality is required to generate the necessary transactions to correct accounts which are in error by an authorized user with a full audit trail and maintenance report of actions taken to rectify the error. (MSA section 95f).	☐	☐		
28. Account maintenance functionality must produce 'hard copy' of all transactions generated to rectify the account to enable the user to verify and 'sign off' the action taken.	☐	☐		
29. Functionality is required to categories Debtors and Properties by a set of user defined parameters. The categories are used to create subsets of the Debtor Master for reporting, to establish appropriate tariffs and to determine billing cycles (MPRA section 3(3)c(i)).	☐	☐		
30. Functionality is required to process different Debtor and property categories according to different business rule or time frames.	☐	☐		

Functionality Required	3.1 Training and Onsite Support		3.2 Annual Fees	
	Yes	3rd Party		
31. Tariffs are stored by effective date from inception and all history is retained to enable recalculation of accounts even over different tariff periods.	☐	☐		
32. Functionality is required for the system to automatically apply new tariffs from the effective date specified in the tariff record. At this time the 'current ' tariff will receive a status of 'expired' and the 'new' tariff becomes 'current'.	☐	☐		
33. It is important to note that in all areas of revenue calculation, rebates and/ or exemptions may be applied based on a single or on multiple criteria which may be applied to the Debtor account in an 'and/ or' context. The Solution must provide the required level of flexibility to cater for these variations.	☐	☐		
34. Miscellaneous Charges: Certain miscellaneous charges may be raised at regular intervals (monthly, quarterly, annually) and fixed periods whilst others are raised on an ad hoc basis with automated escalation dates and percentages.	☐	☐		

NB : The municipality reserves the right to implement all or part of the modules offered by the ERP solution

3.5. WORK AREA

- Full ERP to be available on the network for the approved users as per the user authorised application forms

3.6. OBLIGATIONS / RESPONSIBILITIES AND DUTIES OF THE SERVICE PROVIDER

3.6.1. Provide, perform and complete the services in a proper, efficient and prompt manner and in accordance with the project specifications and contract requirement in terms of this agreement.

3.6.2. To maintain all quality presented during bidding process which has significantly influenced decision making in awarding of this tender which shall form part of **annexures** on the contract agreement.

3.6.3. Ensure that Service provider's tax matters are in order for duration of the contract.

3.6.4. Service provider must be in good standing central supplier data base for the duration of the contract.

3.6.5. The service provider to provide achievable response time and be available 24 hours to attend to emergencies

3.6.6. To adhere to response time frames as specified in the request for quotation document.

3.6.7. To deliver quality service in line with specifications.

3.6.8. Invite responsible Municipal official for inspection and signing of job card on site and prior leaving site.

3.6.9. Timeframe:

- The timeframe for the end product deliverables (Fully Implemented System Training, Data Migration and Handholding) are as follows:
- Full implementation of the system including data migration within 3 months from the date of appointment
- Handholding for a period of 6 months from the live launch of the system
- Response time must be within 12 hours for all reported faults. Failure to respond within 12 hours may result in penalties being imposed.

3.7. EXPERTISE/ STAFF

3.7.1 Experienced Project leader

3.8. TRANSFER OF SKILLS

3.8.1. Skills transfer may be provided during execution of the project where it is practically possible. The officials to whom skills must be transferred to are limited to **number of officials** nominated by employer on the commencement meeting.

3.9. MANAGEMENT MEETINGS

All meetings between the Municipality & the Service Provider shall be attended by the Project Leader as required by the employer.

4. PRICING SCHEDULE

Bidders are reminded that the Implementation costs must cover the following aspects as per National Treasury requirements.

No	Description
1	Assessment of current status
2	Organisational change management
3	Assessment of requirements
4	Customization and setup of parameters which consists of the following:
5	(a) Operating system and servers setup
6	(b) Database configuration and setup
7	(c) Security roles & definitions
8	(d) Software solution
9	User Acceptance Testing (UAT)
10	Implementation Training

PRICING SCHEDULE

	MODULE/SERVICE	ANNUAL FEES	IMPLEMENTATION COSTS	TOTAL
1	Generic Specifications			
2	IDP & Budget			
3	Performance Management			
4	Reporting Mechanisms			
5	Risk Management			
6	Integrated Electronic Records Management			
7	Accounts Payable			
8	General Ledger			
9	Insurance Management			
10	Investment Management			
11	Costing			
12	Loan Management			
13	Project Management			
14	Cash Management			
15	Stores and Inventory Management			
16	Supply Chain Management			
17	Grant Management			
18	Asset Management Including Full Workflow, GIS Integration			
19	Real Estate and Resources Management			
20	Payroll & Human Resources Management			
21	Customer Care Credit control and Debt collection			
22	Valuation Roll Management Including Full Workflow, GIS Integration			
23	Land Use Including Full Workflow, GIS Integration.			
24	Billing			
25	Meter Management Including Full Workflow, GIS Integration and Document Management			
26	Point of Sale/ Revenue Receipting			
27	Burial Management			
28	Hardware requirements			
29	On-site Support Services			
30	Remote Support Services			
31	Licences			
32	DATA MIGRATION - See instructions to tenderers			
33	HANDHOLDING			
34	TRAINING			
35	TOTAL			

5 YEAR PRICING
(60 MONTHS)

YEAR	AMOUNT	% escalation
1ST YEAR TENDER PRICE	R	0
2ND YEAR		
3RD YEAR		
4TH YEAR		
5^{TH} YEAR		
TOTAL		

Compulsory note:

For any additional services that may be required after the implementation of the full ERP system, costs in relation to the required personnel and other incidental costs must be submitted with this bid and shall be subject to negotiation and acceptance by the municipality prior to the final award of this tender but will not form part of the offer.

5. FORM OF OFFER

TENDER KZN ULM 18/24/25

The Municipal Manager
uMlalazi Municipality
P O Box 37
ESHOWE
3815

Sir,

I/We ____ do hereby tender for the **SUPPLY, INSTALL, MAINTAIN AND SUPPORT THE MSCOA FULL ERP SYSTEM , FOR THE PERIOD OF SIXTY(60) MONTHS** as per specifications and scope of work in the tender document for an amount of:-

Total carried from pricing schedule, in figures (Exclusive of VAT) R ______________________

15% VAT (**if vat registered**) R ______________________

Total carried from pricing schedule, in figures (Inclusive of VAT) R ______________________

Total amount in words:

____

____

The above fees include all required information or resources to complete the tender as per the specifications.

Until such time that a formal agreement is compiled and accepted, these tenders will be in conjunction with your acceptance or the persons acting on your behalf and will be a binding contract between both parties.

Upon the terms set out in the conditions of tender, I/We hereby acknowledge that:-

1. I/We have read and acquainted myself/ourselves with the terms and conditions of tender and understand the purpose thereof and agree that all such conditions shall form part of this tender;

2. This Offer may be accepted by uMlalazi Municipality by signing the Form of Acceptance within the period of validity stated in this Tender document, whereupon the Tenderer becomes the **Service Provider** in terms of this this contract.

THE CONDITIONS OF TENDER I/WE READ AND ACCEPT

Signature (of person authorized to sign the tender):

Signature :*(of person authorized to sign the tender)*:……………………………………………………

Name: (*of signatory in capitals)*:…………………………………………………………………

Capacity: (*of Signatory*):……………………………………………………………………………

Name of Tenderer: (*organisation*):…………………………………………………………………

Address: ………………………………………………………………………………………………

Telephone number: . ...……………………… **Fax number:** ………………………………………

Witness Signature: ………………………………………………………………………………

Name: *(in capitals):………………………………………………………….…………………………*

Date:……………………………………………………………………………………………………

[Failure of a Tender's to sign this form will invalidate the tender]

6. FORM OF ACCEPTANCE

Contract No: KZN ULM 18/24/25

By signing this part of the Form of Offer and Acceptance, the Employer identified below accepts the Tenderers Offer. In consideration thereof, the Employer shall pay the Service Provider the amount due in accordance with the Conditions of Contract identified in the Contract data. Acceptance of the Tender's Offer shall form an agreement between the Employer and the Tenderer upon the terms and conditions contained in this Agreement and in the Contract that is the subject of this Agreement.

Signature : ________________________ **DATE:** ___________________

Name (in capitals) : **MR NN SHANDU**

Capacity : **MUNICIPAL MANAGER**

Name of Employer : **uMLALAZI MUNICIPALITY**

Address : **P.O BOX 37**
ESHOWE
3815

Witness Signature : ____

Name (in capitals) : ____

Date : ____

7. FORMS TO BE COMPLETED BY THE TENDERER

COMPULSORY DOCUMENTATION

A. PROOF OF PURCHASE OF TENDER DOCUMENT

(Applicable to purchased documents only)

ATTACH RECIEPT TO THIS PAGE

<u>SIGNED ON BEHALF OF TENDERER</u> : …………..

B. TAX CLEARANCE CERTIFICATE REQUIREMENTS

It is a condition of bid that the taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Services (SARS) to meet the bidder's tax obligations.

1. In order to meet this requirement, bidders are required to complete in full, the attached form TCC 001. 'Application for Tax Clearance Certificate' and submit it to any SARS branch office nationally. The Tax Clearance Certificate requirements are also applicable to foreign bidders/individuals who wish to submit bids.

2. SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.

3. The original Tax Clearance Certificate must be submitted together with bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance will not be acceptable.

4. In bids where Consortia/Joint Ventures/ Sub-Service Providers are involved, each party must submit a separate Tax Clearance Certificate.

5. Copies of the TCC 001 "Application for a Tax Clearance Certificate" forms are available from any SARS branch office nationally or on the website www.sars.gov.za

6. Applications for the Tax Clearance Certificate may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.sars.gov.za

SIGNED ON BEHALF OF TENDERER: …………...

C COMPANY / CC / PARTNERSHIP / JV / SP REGISTRATION CERTIFICATES & ID DOCUMENTS OF ALL DIRECTORS

*[**NOTE:** Registration Certificates for Companies, Close Corporations and Partnerships, or JV Agreements and Powers of Attorney for Joint Ventures, or ID documents for Sole Proprietors must be attached here. Tenderers must include certified ID copies of all directors, members and partners]*

In addition to the above, the tenderer must insert here certified copy of identity documents of all directors

ATTACH PROOF TO THIS PAGE

SIGNED ON BEHALF OF TENDERER: …………..

D. PROOF OF CENTRAL SUPPLIER DATABASE REGISTRATION

NOTE: *attach full summary of CSD report*

ATTACH PROOF TO THIS PAGE

SIGNED ON BEHALF OF TENDERER: …………..

E. RATES AND MUNICIPAL SERVICES CLEARANCE CERTIFICATE

In terms of Clause 38 of the Supply Chain Management Policy the uMlalazi Municipality reserves the right to reject any tender if any municipal rates and tariffs or municipal service charges owed by that tenderer or any of its directors to the municipality or to any other municipality or municipal entity are in arrears for more than 3 (three) months.

Tenderers are required to submit proof of payment of municipal rates and tariffs for the municipality in which the business is situated/ located.

This serves to confirm that m**y company's municipal rates and taxes are paid up to date and the following is attached**:

1. An copy of the most recent municipal statement not older than 3 months, indicating the status of payment of all municipal accounts and taxes, electricity, water, refuse, rates and levies, from the Municipality in which jurisdiction it's business is situated or;

2. In the case where the tenderer does not own property/is a tenant for the purpose of its business establishment, the tenderer to provide copy of lease agreement and a recent statement from its landlord certifying that all the tenants payments in respect of all municipal accounts and taxes i.e. electricity, water, refuse, rates and levies are paid up to date or;

3. In a case where the Service Provider cannot supply any of the above. The person would have to obtain a Rate Clearance Certificate from the Municipality that the person resides in. Service Provider would need a certified copy of the ID of all Directors and a certified copy of the company's CK Tendering, to obtain a certificate ; or

4. Tenders who are **<u>not</u>** registered with any municipality for the payment of rates and services due to their location may submit proof of residence / business address certified by a Municipal Councillor, but only if the residence is the same address as the business address; and

Attach proof to this page in terms of the above

<u>SIGNED ON BEHALF OF TENDERER</u>: ……………..

F. WORKMEN'S COMPENSATION

ATTACH PROOF TO THIS PAGE

SIGNED ON BEHALF OF TENDERER : …………...

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

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

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

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1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

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

1.2 To be completed by the organ of state

(*delete whichever is not applicable for this tender*).

a) The applicable preference point system for this tender is the 80/20 preference point system.

b) Either the 90/10 or 80/20 preference point system will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

(a) Price; and

(b) Specific Goals.

1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and SPECIFIC GOALS	**100**

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

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

2. DEFINITIONS

(a) **"tender"** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;

(b) **"price"** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;

(c) **"rand value"** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

(d) **"tender for income-generating contracts"** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and

(e) **"the Act"** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

POINTS AWARDED FOR PRICE

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

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

80/20 or 90/10

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

Where

Ps	=	Points scored for price of tender under consideration
Pt	=	Price of tender under consideration
Pmin	=	Price of lowest acceptable tender

3.1. **FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT**

POINTS AWARDED FOR PRICE

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

80/20 or 90/10

$$\boldsymbol{Ps = 80\left(1 + \frac{Pt - P\,max}{P\,max}\right)} \quad \text{or} \quad \boldsymbol{Ps = 90\left(1 + \frac{Pt - P\,max}{Pmax}\right)}$$

Where

Ps	=	Points scored for price of tender under consideration
Pt	=	Price of tender under consideration
Pmax	=	Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

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

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

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

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

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

The specific goals will be applied in in terms of section 2(1)(a)(i) of the municipal supply chain policy to advance targeted groups as follows:

- Youth
- Women
- People living with disabilities
- Local businesses & SMME's

5.2.1 SUMMARY TABLE FOR CALCULATION OF PRERERENTIAL POINTS FOR SPECIFIC GOALS				
			<R50 Million	>R50 Million
NO.	**Categories**	**Weight**	**80|20**	**90|10**
1	Ownership Goals	50%	10	5
2	Empowerment Goals	20%	4	2
3	Reconstruction & Development Programme Goals	20%	4	2
4	Other Goals (Specify)	10%	2	1
		100%	**20**	**10**

5.2.2 SPECIFIC GOAL NO.1-OWNERSHIP CATEGORY

#	Specific Goal(s)	Weight	80|20 PP	90|10 PP	Verification
	Ownership Categories :				
1	**EME and QSE**				
	1. an EME or QSE which is at least 100% owned by black people;	**100%**	**10**	**5**	**Sworn Affidavit - QSE/EME General**
	2. an EME or QSE which is at least 51% owned by black people;	**60%**	**6**	**3**	**Sworn Affidavit - QSE/EME General**
	3. an EME or QSE which is at 25% - 50% owned by black people;	**20%**	**2**	**1**	**Sworn Affidavit - QSE/EME General**
2	**Broad Based Black Economic Empowerment :**				
	BBBEE Level 1	**100%**	**10**	**5**	**BBBEE Certificate**
	BBBEE Level 2	**60%**	**6**	**3**	**BBBEE Certificate**
	BBBEE Level 3 & Below	**20%**	**2**	**1**	**BBBEE Certificate**
3	**Ownership %**				
a)	**Women Ownership(*Must be South African)**				
	ownership - 100% : Black (Youth , Women , Disabled People ,Military Veterans)	**100%**	**10**	**5**	**ID Copies : Directors |Co. Registration | CSD | Shareholders Certificate**
	ownership - > 51% : Black (Youth , Women , Disabled People ,Military Veterans)	**80%**	**8**	**4**	**ID Copies : Directors |Co. Registration | CSD | Shareholders Certificate**
	ownership - 25% - 50% : Black (Youth , Women , Disabled People ,Military Veterans)	**40%**	**4**	**2**	**ID Copies : Directors |Co. Registration | CSD | Shareholders Certificate**
	ownership - 100% : White (Youth , Women , Disabled People ,Military Veterans)	**20%**	**2**	**1**	**ID Copies : Directors |Co. Registration | CSD | Shareholders Certificate**
b)	**Men Ownership(*Must be South African)**				

	Men ownership - 100% : Black (Youth , Men , Disabled People ,Military Veterans)	**80%**	**8**	**4**	**ID Copies : Directors |Co. Registration | CSD | Shareholders Certificate**
	Men ownership - > 51% : Black (Youth , Men , Disabled People ,Military Veterans)	**40%**	**4**	**2**	**ID Copies : Directors |Co. Registration | CSD | Shareholders Certificate**
	Men ownership - 25% - 50% : Black (Youth , Men , Disabled People ,Military Veterans)	**20%**	**2**	**1**	**ID Copies : Directors |Co. Registration | CSD | Shareholders Certificate**
4	**Youth Development : (Below 35 Years)**				
	Youth ownership - 100% : Black	**100%**	**10**	**5**	**ID Copies : Directors |Co. Registration | CSD | Shareholders Certificate**
	Youth ownership - > 51% : Black	**80%**	**8**	**4**	**ID Copies : Directors |Co. Registration | CSD | Shareholders Certificate**
	Youth ownership - 25% - 50% : Black	**40%**	**4**	**2**	**ID Copies : Directors |Co. Registration | CSD | Shareholders Certificate**
	Youth ownership - 100% : White	**20%**	**2**	**1**	**ID Copies : Directors |Co. Registration | CSD | Shareholders Certificate**

5.2.3 SPECIFIC GOAL NO.2 –EMPOWERMENT CATEGORY

#	Specific Goal(s)	Weight	80|20	90|10	Verification
	Sub-Contracting :				
1	**EME and QSE**				
	1. an EME or QSE which is at least 100% owned by black people;	100%	4	2	Sworn Affidavit - QSE/EME General
	2. an EME or QSE which is at least 51% owned by black people;	50%	2	1	Sworn Affidavit - QSE/EME General
	3. an EME or QSE which is at 25% - 50% owned by black people;	25%	1	0,5	Sworn Affidavit - QSE/EME General
2	**Local Economic Development Sub-Contracting (10%-30%) and 40 % where it is technically possible and subject to pre-approval.**				
	1. Enterprise 100% owned by Youth	100%	4	2	ID Copies : Directors |Co. Registration | CSD | Shareholders Certificate
	1. Enterprise 100% owned by Disabled People	100%	4	2	ID Copies : Directors |Co. Registration | CSD | Shareholders Certificate
	1. Enterprise 100% owned by Women	100%	4	2	ID Copies : Directors |Co. Registration | CSD | Shareholders Certificate
	2. Enterprise owned by Black People with CIDB Grading 4 or Less	100%	4	2	ID Copies : Directors |Co. Registration | CSD | Shareholders Certificate
	3. Enterprise 100% owned by Military Veteran	100%	4	2	ID Copies : Directors |Co. Registration | CSD | Shareholders Certificate
	3. Enterprise owned by Black Men with at least 51%	50%	2	1	ID Copies : Directors |Co. Registration | CSD | Shareholders Certificate

5.2.4 SPECIFIC GOAL NO 3- RDP CATEGORY

#	Specific Goal(s)	Weight	80|20 PP	90|10 PP	Verification
	Reconstruction and Development :				
1	**Promotion of Local Business(s)**				
	1. Enterprise Located within the uMlalazi Local Municipality	100%	4	2	Utilities : Directors or Co.| Affidavit | Existing Lease Agreement /councilor or Induna letters
	2. Enterprise Located within the King Cetshwayo District Municipality	50%	2	1	Utilities : Directors or Co.| Affidavit | Existing Lease Agreement
	2. Enterprise Located within the Province	25%	1	0,5	Utilities : Directors or Co.| Affidavit | Existing Lease Agreement
2	**SMME Development (EME and QSE)**				
	1. an EME or QSE which is at least 100% owned by black people;	100%	4	2	Sworn Affidavit - QSE/EME General
	2. an EME or QSE which is at least 51% owned by black people;	50%	2	1	Sworn Affidavit - QSE/EME General
	3. an EME or QSE which is at 25% - 50% owned by black people;	25%	1	0,5	Sworn Affidavit - QSE/EME General
3.	**Job Creation and Community upliftment**				
	1.Community upliftment project (e.g. housing , schools ,infra donations etc.) equal to at least 0.5% of project Value	100%	4	2	Bidder to propose
4	2. Creation of Jobs /Labour intensive activities	100%	4	2	Bidder to propose

SPECIFIC GOAL NO 4 – OTHER GOALS

#	**Specific Goal(s)**	**Weight**	**80|20 PP**	**90|10 PP**	**Verification**
	Other Categories :				
1	***Combination of any other goals***				
	User departments may combine any specific goals under categories 1,2 and 3 above in a manner that will help evaluate and apply preference points to the tender	100%	2	1	*--Relevant Verification Documentation--*

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
	N/A		N/A	
Ownership Goals: • BBBEE Level 1 = 10 • BBBEE Level 2 =6 • BBBEE Level 3 & Below =2		**10**		
Empowerment Category: SMME Development (EME and QSE): • an EME or QSE which is at least 100% owned by black people = 4 • an EME or QSE which is at least 51% owned by black people =2 • an EME or QSE which is at 25% - 50% owned by black people =1		**4**		
Reconstruction & Development Programme Goals: • Community upliftment project (e.g. housing , schools ,infra donations etc.) equal to at least 0.5% of project Value = 4		**4**		
Combination of other goals: • BBBEE Level and • Community Upliftment proposal = 2		**2**		
TOTAL		**20**		

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number: …………………………………………………………...

4.5. TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

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

i) The information furnished is true and correct;

ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the Service Provider may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;

iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have-

(a) disqualify the person from the tendering process;

(b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;

(c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

(d) recommend that the tenderer or Service Provider, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and

(e) forward the matter for criminal prosecution, if deemed necessary.

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

H. VERIFICATION OF PREFERENTIAL PROCUREMENT POINTS FOR SPECIFIC GOALS

ATTACH

Documents required for verification of specific goals indicated on **table 1** of the preferential procurement points for specific goals (form MBD 6.)

SIGNED ON BEHALF OF TENDERER: ....

I. DECLARATION OF INTEREST

MBD 4

1. Any legal person, including persons employed by the state[1], 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 a price quotation, advertised competitive bid, limited bid or proposal). 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[2]):

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

2.4 Company Registration Number:

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

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.

[1]"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 Municipality of provinces; or
(e) Parliament.

[2]"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 attached 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?

YES/NO

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.

Full Name	**Identity Number**	**Personal Tax Reference Number**	**State Employee Number / Persal Number**

4 DECLARATION

I, THE UNDERSIGNED (NAME)………………………………………………………
CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2.1 TO 2.3.1 ABOVE IS CORRECT, AND THAT THE SIGNATORY TO THIS DOCUMENT IS DULY AUTHORISED.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF

PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS

DECLARATION PROVE TO BE FALSE.

………………………………….. ..……………………………………………
Signature Date

…………………………………. ………………………………………………
Position Name of bidder

J. DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

MBD 8

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? (Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the *audi alteram partem* rule was applied).	Yes ☐	No ☐
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? **To access this Register enter the National Treasury's website, www.treasury.gov.za, 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.**	Yes ☐	No ☐
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?	Yes ☐	No ☐
4.3.1	If so, furnish particulars:		
4.4	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 ☐	No ☐
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**

K. 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:

uMlalazi Municipality
____
(Name of Municipality / Municipal Entity)

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

I certify, on behalf of ____that:

____
(Name of Bidder)

1. I have read and I understand the contents of this Certificate;

2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;

3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;

4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;

5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:

    (a) has been requested to submit a bid in response to this bid invitation;
    (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
    (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

6. The bidder has arrived at the accompanying bid independently from, and without

consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium[3] will not be construed as collusive bidding.

7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:

(a) prices;
(b) geographical area where product or service will be rendered (market allocation)
(c) methods, factors or formulas used to calculate prices;
(d) the intention or decision to submit or not to submit, a bid;
(e) the submission of a bid which does not meet the specifications and conditions of the bid; or
(f) bidding with the intention not to win the bid.

8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.

9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

References

[1] Includes price quotations, advertised competitive bids, limited bids and tenders.

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

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

L. CERTICICATE OF AUTHORITY SIGN DOCUMENTS

The Municipal Manager
uMlalazi Municipality
P O Box 37
ESHOWE
3815

AFFIDAVIT

I ____ the undersigned hereby declare that by resolution dated ____________________________________ I am authorized to sign these documents on behalf of ____

SIGNED AT THIS DAY OF 2025

____
WITNESS

____
TENDERER

M. DECLARATION FOR PROCUREMENT ABOVE R10 MILLION (ALL APPLICABLE TAXES INCLUDED)

For all procurement expected to exceed R10 million (all applicable taxes included), bidders must complete the following questionnaire:

1 Are you by law required to prepare annual financial statements for auditing?

1.1 If yes, submit audited annual financial statements for the past three years or since the date of establishment if established during the past three years.

………………………………………………………………

………………………………………………………………

2 Do you have any outstanding undisputed commitments for municipal services towards any municipality for more than three months or any other service provider in respect of which payment is overdue for more than 30 days?

2.1 If no, this serves to certify that the bidder has no undisputed commitments for municipal services towards any municipality for more than three months or other service provider in respect of which payment is overdue for more than 30 days.

2.2 If yes, provide particulars.

3 Has any contract been awarded to you by an organ of state during the past five years, including particulars of any material noncompliance or

dispute concerning the
execution of such contract?

3.1 If yes, furnish particulars

…………………………………………………………
…………………………………………………………

***YES / NO**

4. Will any portion of goods or services be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality / municipal entity is expected to be transferred out of the Republic?

5. ***YES / NO**

4.1 If yes, furnish particulars

…………………………………………………………..

…………………………………………………………..

CERTIFICATION

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

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

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

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

N. RECORD OF ADDENDA TO TENDER DOCUMENTS

I / We confirm that the following communications received from the Employer or his representative before the date of submission of this tender offer, amending the tender documents, have been considered in this tender offer.

No.	Date	Title or Details
1		
2		
3		
4		
5		

Compulsory Note:

1. Addendum issued by Municipality comes part of this bid and it is compulsory to every bidder to submit it with the bid.

2. If the bidder did not receive addendum through the email address provided in the briefing attendance register on the date agreed, it is the responsibility of the bidder to send an email in the email address provided in this document to request the said addendum.

NAME: ………………………………… POSITION: ……………………………

SIGNATURE: ....… DATE: ……......................................
(of person authorised to sign on behalf of the Tenderer)

O. AMENDMENTS OR QUALIFICATIONS BY TENDERER

PAGE	DESCRIPTION

If the tenderer does not wish to make any amendments to the tender documents nor any qualifications to his/her tender, the above space shall be crossed out and the words "NIL" written above the line.

NB: An amendment must leave the original document substantially intact.

SIGNED ON BEHALF OF TENDERER: ....

8. FUNCTIONALITY

Note: the bidder must achieve minimum of 80 % (80 Points) in functionality. The Table below reflects **evaluation functionality components** and the overall weighting on each **Criteria component** of the functionality are as follows:

1. CLIENT (S) AUDIT OUTCOMES			
Rating for Criteria	**Guidelines For Criteria Application**	**Max Points**	**Verification Method**
Company 22/23 FY and 23/24 FY Client (s) Audit outcomes where Financial system provided per annum.			
Excellent (Points = 10)	6 or more Clean Audits per annum (List years of clean audits)	**10**	Please supply proof in the form of confirmation letters from Municipalities accompanied by the Auditor General reports. Such will be verified extensively as information on Municipalities which obtained clean audits is Public Knowledge.
Good (Points = 5)	5 Clean Audits		
Satisfactory (Points = 3)	3-4 Unqualified Outcomes with matters per annum.		
Marginal (Points = 2)	1-2 Unqualified Audit Outcomes with matters per annum		
2. DATA STRINGS			
Rating for Criteria	**Guidelines For Criteria Application**	**Max Points**	**Verification Method**
Good (Points = 20)	Data strings must be generated directly from the system and financial system to integrate with other systems. E.g. traffic fines system, prepaid electricity, payroll and HR System and assets module system etc.	**20**	The uMlalazi Municipality will verify this at **three municipalities.** The municipality reserves the right to conduct the site visit if it is necessary. Vehicle registration number.
3. EXPERIENCE IN THE SUCCESSFUL IMPLEMENTATION AND MAINTENANCE OF MSCOA IN MUNICIPALITIES WITH ELECTRICITY AS A TRADING			
Experience in the successful implementation and maintenance of MSCOA in Municipalities with Electricity as a Trading			
Rating for Criteria	**Guidelines For Criteria Application**	**Max Points**	**Verification Method**
Very good (Points = 40)	More than 10 projects	**40**	Provide the proof in the form of confirmation letters from municipalities in which the successful implementation took place. Municipalities in question must confirm that they have electricity as a trading service.
Good (Points = 30)	6-10 projects		
Satisfactory (Points = 20)	1-5 projects		

4. KEY PERSONNEL-PROJECT LEADER			
Key personnel MSCOA experience and qualification			
Rating for Criteria	**Guidelines For Criteria Application**	**Max Points**	**Verification Method**
Very good (Points = 30)	5 or more years MSCOA implementation with the same company tendering for this project = 30	**30**	Detailed Curriculum Vitae accompanied by certified copies of Qualifications
Good (Points = 20)	three to Five years MSCOA implementation with the same company tendering for this project = 20 points		
Satisfactory (Points = 10)	2 years or less in MSCOA implementation with the same company tendering for this project= 10 points		
	OVERALL TOTAL	**100**	

9. DRAFT SERVICE LEVEL AGREEMENT

uMLALAZI MUNICIPALITY
AMAHHOVISI KAMASIPALA: MUNICIPAL OFFICES
MUNISIPALE KANTORE
Hutchinson Street, (cnr of Hutchinson and Osborne), Eshowe, Kwazulu-Natal, 3815
Tel: +27 (35) 473 3474 | **Fax:** +27 (35) 474 4733
Website: www.umlalazi.gov.za

Service Level Agreement

Made and entered into by and between

THE uMLALAZI MUNICIPALITY
(Hereinafter referred to as "**the Council**)

And

xxx COMPANY NAME xxx

(Hereinafter referred to as "the Service Provider")

CONTRACT

Contract, agreement made and entered into by and between the uMlalazi Municipality, herein represented by:-
Municipal Manager

Mr. NN Shandu

(Duly authorized hereto, herein after referred to as "the Council")

And

********************** (PTY) LTD**

Registration Number [*************]

(herein after referred to as **"the Service Provider/ Service Provider"**)

duly incorporated in accordance with the laws of South Africa, with limited liability, herein represented by [****************] [ID No: *******************], in his / her capacity as a director thereof, he/ she being duly authorized hereto)

Whereas the Municipality awarded the contract for:-

XXX PROJECT DESCRIPTION XXX
XX TENDER NUMBERXX

And whereas the parties hereto are desirous of reducing the terms and conditions of agreement between them to writing.

Now therefore the parties hereto agree as follows:-

1. PERIOD OF AGREEMENT

1.1. <u>Contract Commencement Date</u>

The appointment of the Service Provider is for the period of **Sixty (60)** months commencing from **xxx Date xxx**.

1.2. Contract Expiry Date

Unless terminated under one of the other clauses, the contract shall expire on **xxx Date xxx**

2. 2. SCOPE OF WORK AND SPECIFICATIONS **(Note: Refer to tender document)**

2.1. The envisaged scope of work is but not limited to;

****
****
****

3. ISSUING OF PURCHASE ORDER (Note: if not once off order)

(i) The municipality will generate and issue works order based on **accepted unit prices** as per price scheduled incorporated in the form of offer.

(ii) Amount of materials to be delivered per financial year will be determined by the municipality from time to time guided by availability of budget and need.

(iii) The municipality will raise works orders as in when required during period of this contract

(iv) The works order will indicate material type, quantity and amount of work to be provided at that particular point in time.

4. RESPONSIBILITIES AND OBLIGATIONS OF THE SERVICE PROVIDER (Note: Refer to tender document)

4.1. To adhere to project specifications and contract requirement in terms of this agreement

4.1.1. To maintain all quality presented during bidding process which has significantly influenced decision making in awarding of this tender, this may result to termination of this contract.

4.1.2. Ensure that Service Provider’s tax matters are in order for duration of the contract

4.1.3. Service Provider must be in good standing central supplier data base for the duration of the contract

4.1.4. The service provider to provide achievable response time and be available 24 hours to attend to emergencies

4.1.5. **RESPONSE TIME:** Respond within **12 hours** from time of request

4.1.6. To adhere to response time frames as specified in the request for quotation document

4.1.7. To deliver quality service in line with specifications.

4.1.8. Invite responsible Municipal official for inspection and signing of job card on site and prior leaving site.

4.1.9. Comply with the directions of the Municipality and/or Project Manager given pursuant to a provision of the Contract an all reasonable instructions necessarily incidental to the performance of this contract;

4.1.10. Attend meetings and briefings reasonably required by the Municipality or the Project Manager

5. RESPONSIBILITIES AND OBLIGATIONS OF THE MUNICIPALITY

(i) Pay the Service Provider in accordance with the service performed;

(ii) Provide the Service Provider with clear specifications and scope of work to enable the Service provider either to quote or carry out the required services;

6. RESOURCES REQUIRED TO PERFORM SERVICES (Note: if applicable)

Service Provider must have the following minimum resources to effectively provide Services

(It could be machinery, equipment, tools, plant, software, human resources etc.)

(i) ************************

(ii) ************************

(iii) ************************

(iv) ************************

7. PAYMENTS (Note: Refer to tender document)

(i) The Service Provider shall be paid an amount of R_________ inclusive of VAT subject to annual escalation equivalent to CPIX. The price must be unconditional.

(ii) Payment will be made by the municipality to the Service Provider upon delivery of service, which payment will be made via electronic transfer of funds to the Service Provider's financial institution subject receipt of a valid tax invoice accompanied with relevant supporting documents such as signed job cards, time sheets etc.

(iii) Valid tax invoice must be submitted on the last day of each month and payment shall be made in 30 days after date of invoice.

(iv) The Service Provider is obliged to submit the invoice together with a signed job card or municipal time sheet (whichever is applicable) and job card/time sheet must be properly filled and reflect worked hours / quantity of work done, site name etc. Failing which no work shall be certified for payment.

(v) The Municipality reserves the right to negotiate a reasonable price with successful bidder during execution of work.

(vi) In the event that the Municipality is not satisfied with the performance of the Service Provider, the Municipality shall give written notice to this effect to the Service Provider providing sufficient detail and a reasonable time frame to enable the Service Provider to rectify such performance.

(vii) In the event of the entire amount or a portion of the invoice being disputed by the Municipality, only that portion in dispute shall be withheld from payment, until the dispute is resolved. The undisputed portion shall be paid to the Service Provider within the stipulated time frames.

(viii) The Service Provider shall immediately give notice of any circumstances preventing it from completing its obligations in terms of the contract.

8. CONDITIONS OF THIS CONTRACT

8.1. GENERAL REQUIREMENTS (Note: Refer to tender document)

8.1.1. All prices quoted are deemed to be inclusive of Value Added Tax (VAT) if the Service Provider is registered as vat vendor.

8.1.2. All prices submitted are subjected to escalation if applicable to this tender otherwise are deemed to be fixed prices, which are only subject to the following statutory changes, namely VAT and any levy related to customs and excise.

8.1.3. Vendors not registered for Value Added Tax with SARS will be treated as Non VAT vendors.

8.1.4. Service Provider must maintain compliance with Central Suppliers Database, CSD for the duration of contract.

8.1.5. Letter of Good standing must be maintain valid for the duration of contract.

8.1.6. Job card by Service provider to be filled in on site indicating service and quantity of work done, job card must be approved municipal responsible responsible official immediately once the task is completed.

8.1.7. All safety PPE and PPC must be provided, available and used at all times.

8.1.8. Should the preferred Service provider fail to adhere to the response times as specified, Municipality reserves the right to appoint another service provider out of this contract, notwithstanding applicable termination clause.

8.1.9. Suppliers may be required to supply photographic evidence of the service before and after work completed.

8.1.10. Due to the urgent nature of service, Service Providers will be required to attend site meetings at very short notice.

8.2. QUALITY OF SERVICE

8.2.1. All materials/goods/Services and equipment shall meet the specific requirements stipulated per each occasion.

8.2.2. The company must use qualified and experienced personnel to perform the required services.

8.2.3. It is a requirement of this contract that qualified and experienced personnel may perform work. Should it be proven that un-qualified personnel are being utilized to perform the work, the Service Provider’s contract may be terminated.

8.2.4. Notwithstanding the above, Un-qualified personnel may assist the qualified personnel in the repair process.

8.2.5. All personnel working on Municipal Premises will be required to wear suitable PPE at all times.

8.2.6. Service provider will not be allowed to use any of uMlalazi Municipality's equipment or tools during the provision of service process.

8.2.7. The Service provider will be required to comply with the OHS act and any issued regulations in relation to diseases outbreak /pandemic.

8.2.8. The Service provider will be required to use trained support personnel on certain occasion during provision of service.

8.2.9. The service provider must have a fully equipped facilities to perform the job. (Equipment and facilities)

8.2.10. The service provider to provide achievable response time in hours and be available **24 hours** to attend to emergencies

8.2.11. The service provider to ensure all safety standards and protocol is observed during provision of services.

9. CONTROL PROCEDURES OFFICE HOURS (07H30 -16H00) (Note: Refer to tender document)

9.1. No work to be performed without an official purchase order or written instruction from Municipality.

9.2. All documentation such as Invoices, relating to the services provided must be forwarded at latest within **seven (7) calendar days** to the ********* Department ******* Section.

9.3. If the specifications were clear without any ambiguities, service providers must obtain a written confirmation from the municipality for any additional work to be carried in relation to the original work given.

9.4. Job card must be completed on site with all relevant information and be signed by service provider representative and the assigned municipality's technical official (Refer to 6.1.3 above).

9.5. No Sundry charges will be paid for, all cost must be included in the Labour price tendered.

10. COMPETENCE OF KEY PERSONNEL AND QUALITY

10.1. The Service Provider must ensure that services are performed by the key personnel nominated in the Contract or who have been substituted for one or more of such nominated personnel **with the written consent of the Municipality**.

10.2. If any of the nominated key personnel are not available to perform any of the Services, or unable properly to do so because of physical or mental incapacity or incompetence, the Service Provider must immediately give notice to the municipality and arrange a replacement of that person with a person acceptable to the municipality, at no additional cost to the Municipality.

10.3. Appointed bidder will be required to maintain all quality presented during bidding process which has significantly influenced decision making in awarding of this tender, this shall be part of the service level agreement.

11. PROJECT MANAGER

11.1. There shall be a Project Manager appointed by the municipality who shall administer the Contract and oversee the work of the Service provider in its performance of the Services.

11.2. The Project Manager/Leader mentioned above shall be the Senior Manager ******* unless a person is appointed officially to act on his/her behalf.

11.3. The Service Provider shall submit nominated project manager to administer this contract.

11.4. The Service provider must liaise with, report to and communicate with the Project Manager on all technical matters relating to this Contract.

12. BACK UP SERVICE

In case of break down or any other similar situation that maybe applicable, back up plan shall be provided by the Service Provider within **24 hours** when required, failing which the municipality may apply the penalty Clause 16 of this contract and continuous breakdowns may lead to termination of this contract in terms of **Clause ***.**

13. INDEMNITY

The Service Provider acknowledges hereby in favour of the uMlalazi Council, that this agreement is signed by both parties on the basis that the Service Provider is an independent Service Provider.

The Service Provider accordingly hereby indemnifies the uMlalazi Municipality and it's officials in respect of all personal accidents, damages, loss (inclusive of theft) and any other actions, claims, legal actions of whatever nature, instituted or threatened to be instituted by whomsoever which actions etcetera are a direct result of the Service Provider's or his/her substitutes conduct in terms of this agreement.

14. CONTRACT MONITORING AND EVALUATION

14.1. Monthly reporting

This Contract will be monitored on a monthly basis and the required performance report is to be submitted monthly with the monthly invoice of the Service Provider. The Municipality reserves the right to introduce or put in place additional performance measures as and when required subject to the agreement of both parties.

14.2. Poor Performance

14.2.1. The Municipality may, in the event of unsatisfactory performance or conflict of interest at any time by prior written notice to the Service provider, suspend the carrying out of the Services or any part thereof for **03 (three)** days in order to afford the Service provider the opportunity to rectify the cause for the unsatisfactory performance or conflict of interest. In the event that the Service provider fails to remedy the situations as envisaged herein, then the provisions of the terms below shall apply, until such time as the Municipality may determine.

14.2.2. Subject to the next paragraph, if amount have not been agreed in advance, the Municipality must pay to the Service provider the fees and the amount reasonably incurred by the Service provider in carrying out the Services to the date of suspension. The Municipality shall not be liable to compensate for any loss of profits or any other loss.

15. PENALTY (Note: Refer to tender document)

15.1. If within the period(s) specified in the contract, the Municipality shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, an amount of **R11700 per** calendar day of the delay until actual delivery or performance. The Municipality may also consider applying termination clause of the contract should non-compliance with delivery timeframes constitutes gross breach of this contract.

15.2. Failure to deliver the goods or service within the period(s) specified in the contract is as a result of an event of force majeure, the service provider must report in writing with evidence required and Municipality shall assess the submission on its discretion.

15.3. Notwithstanding the provisions of Clauses **"Penalties" and "Termination",** the Service Provider shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

16. CANCELLATION

16.1. The municipality reserves the right to cancel this agreement by way of Three (3) Months Written Notice, in cases where:-

16.1.1. Budget becomes unavailable to continue rendering the service.

16.1.2. The municipality review its service delivery strategies and mechanisms.

16.1.3. It became financial strenuous for the municipality to continue rendering the service.

17. TERMINATION

17.1. Termination due to Default by Service Provider

17.1.1. If the Service provider commits a breach of Contract, the Municipality may suspend payment under the Contract and give to the Service provider a written notice to rectify.

17.1.2. A notice to rectify must:

17.1.2.1. State that it is as notice given under this sub-clause of these Conditions;

17.1.2.2. Specify the alleged breach in detail;

17.1.2.3. Specify the date by which the Service provider must respond to this notice which date shall **not be less than 7 (seven) days** after the date of the notice, and, if, by the time specified in the notice to rectify, the Service provider fails to propose steps to remedy the breach that are satisfactory to the Municipality or fails to actually remedy the breach to the satisfaction of the Municipality , the Municipality may, by further written notice, terminate the contract and claim any other remedies that are available to the Municipality in law;

17.2. Termination on Notice

17.2.1. The Municipality may terminate the Contract at any time by giving the Service provider at least 30 (thirty) days prior written notice.

17.2.2. The period of this notice shall run from the date upon which the notice is received by the Service Provider

17.2.3. If the Contract is terminated pursuant to this sub-clause, the Municipality must pay to the Service provider the fees and the expenses reasonably incurred by the Service provider in Carrying out the Consultancy Services to the date of termination together.

17.2.4. The Municipality shall not be liable for payment to the Service provider for any amount in excess of the amount due and payable for the services already provided by the Service provider and, specifically, no compensation for loss of profits or any other loss shall be payable by the Municipality .

17.3. Termination on Default by Municipality

17.3.1. Should the Municipality fail to perform its obligations of payment in terms of this agreement, the Service provider may, on written notice, require the Municipality to pay within sixty (60) days of the date of the receipt of the notice.

17.3.2. Should the Municipality fail to pay in that time, the Service provider may terminate this agreement.

17.4. Effect of Termination

17.4.1. In the event that the Service provider is a joint venture or a consortium upon termination of this Contract, the Service provider might at the discretion of the Municipality be held liable jointly and severally for whatever expenses or damages the Municipality should be entitled to claim in law and/or in terms of this agreement.

17.4.2. On the date of termination, the rights and obligations of the Parties described in this contract shall cease.

17.4.3. The Service provider will be obliged to hand back all the records and Contract Material that it made use of, or was otherwise in possession and control of, throughout the duration of this Contract and vacate site immediately.

18. DISPUTE RESOLUTION

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

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

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

19. AGREEMENT IN TERMS OF SECTION 37(2) OF THE OCCUPATIONAL HEALTH AND SAFETY ACT No 85 OF 1993

THIS AGREEMENT is made between UMLALAZI LOCAL MUNICIPALITY (hereinafter called the EMPLOYER) of the one part, herein represented by: .... …

in his capacity as: ....

And

Company Name: ………………………………………………………………………………

(hereinafter called the **SERVICE PROVIDER**) of the other part, herein represented by: ………………………………………………………….

in his capacity as: ……………………………………………………. duly authorized to sign on behalf of the Service Provider.

WHEREAS the service provider is the Mandatary of the EMPLOYER in consequence of an agreement between the SERVICE PROVIDER and the EMPLOYER in respect of

CONTRACT No: .... (CONTRACT TITLE)

.... for the executing the services as per scope of works in this contract;

AND WHEREAS the EMPLOYER and the Service Provider have agreed to enter into an agreement in terms of the provisions of Section 37(2) of the Occupational Health and Safety Act No 85 of 1993, as amended by OHSA Amendment Act No 181/1993 (hereinafter referred to as the ACT);

I furthermore confirm that I am/we are registered with the Compensation Commissioner and that all registration and assessment monies due to the Compensation Commissioner have been fully paid or that I/We are insured with an approved licensed compensation insurer.

COID ACT Registration Number: ....

OR Compensation Insurer: .... Policy No.: ....

NOW THEREFORE the parties agree as follows:

1. The Service Provider undertakes to acquaint the appropriate officials and employees of the Service provider with all relevant provisions of the ACT and the regulations promulgated in terms thereof.

2. The SERVICE PROVIDER undertakes to fully comply with all relevant duties, obligations and prohibitions imposed in terms of the ACT and Regulations: Provided that should the EMPLOYER have prescribed certain arrangements and procedures that same shall be observed and adhered to by the SERVICE PROVIDER, his officials and employees. The SERVICE PROVIDER shall bear the onus of acquainting himself/herself/itself with such arrangements and procedures.

3. The SERVICE PROVIDER hereby accepts sole liability for such due compliance with the relevant duties, obligations, prohibitions, arrangements and procedures, if any, imposed by the ACT and Regulations, and the SERVICE PROVIDER expressly absolves the EMPLOYER and the Employer's CONSULTING ENGINEERS from being obliged to comply with any of the aforesaid duties, obligations, prohibitions, arrangements and procedures in respect of the work included in the contract, and I further undertake to ensure that any subService Providers employed by me will enter into an Occupational Health and Safety Agreement separately, and that such subService Providers comply with the conditions set.

4. The SERVICE PROVIDER agrees that any duly authorized officials of the EMPLOYER shall be entitled, although not obliged, to take such steps as may be necessary to ensure that the SERVICE PROVIDER has complied with his undertakings as more fully set out in paragraphs

1 and 2 above, which steps may include, but shall not be limited to, the right to inspect any appropriate site or premises occupied by the SERVICE PROVIDER , or to take such steps it may deem necessary to remedy the default of the SERVICE PROVIDER at the cost of the SERVICE PROVIDER .

5. The SERVICE PROVIDER shall be obliged to report forthwith to the EMPLOYER any investigation, complaint or criminal charge which may arise as a consequence of the provisions of the ACT and Regulations, pursuant to work performed in terms of this agreement, and shall, on written demand, provide full details in writing of such investigation, complaint or criminal charge.

Signed at .... on the .... day of .... 20 ....

SIGNED BY/ON BEHALF OF SERVICE PROVIDER - MANDATARY

NAME **SIGNATURE** **DATE**

SIGNED BY WITNESS:

NAME **SIGNATURE** **DATE**

Signed at .... on the .... day of .... 20 ....

SIGNED BY/ON BEHALF OF UMLALAZI MUNICIPALITY

NAME **SIGNATURE** **DATE**

SIGNED BY WITNESS:

NAME **SIGNATURE** **DATE**

Occupational Health and Safety Conditions

1. The Chief Executive Officer of the Service Provider shall assume the responsibility in terms of Section 16(1) of the Occupational Health and Safety Act (as amended). Should the Service Provider assign any duty in terms of Section 16(2), a copy of such assignment shall immediately be provided to the representative of the Employer as defined in the Contract.

2. All work performed on the Employer's premises shall be performed under the supervision of the construction supervisor who understand the hazards associated with any work that the Service Provider performs on the site in terms of Construction Regulations 2014.

3. The Service Provider shall appoint a Competent Person who shall be trained on any occupational health and safety aspect pertaining to them or to the work that is to be performed.

4. The Service Provider shall ensure that he familiarises himself with the requirements of the Occupational Health and Safety Act and that he/she, his/her employees, and any sub-Service Providers, comply with them.

5. Discipline in the interests of occupational health and safety shall be strictly enforced.

6. Personal protective equipment shall be issued by the Service Provider as required and shall be worn at all times where necessary.

7. Written safe work procedures and appropriate precautionary measures shall be available and enforced, and all employees shall be made conversant with the contents of these practices.

8. No substandard equipment/machinery/articles or substances shall be used on the site.

9. All incidents referred to in terms of Section 24 of the Occupational Health and Safety Act shall be reported by the Service Provider to the Department of Labour and the Employer.

10. The Employer hereby obtains an interest in the issue of any formal inquiry conducted in terms of Section 32 of the Occupational Health and Safety Act and into any incident involving a Service Provider and/or his/her employees and/or his/her sub-Service Provider/s.

11. No use shall be made of any of the Employer's machinery/plant/equipment/ substance/ personal protective equipment or any other article without prior arrangement and written approval.

12. No alcohol or any other intoxicating substance shall be allowed on the site. Any person suspected of being under the influence of alcohol or any other intoxicating substance shall not be permitted access to or allowed to remain on the site.

13. Prior to commencement of any work, verified copies of all documents mentioned in the agreement, must be presented to the Employer.

20. DOMICILIUM CITANDI ET EXECUTANDI

20.1. NOTICES AND DOMICILIA

20.1.1. Addresses and Contact Details

The Parties choose as their respective domicilia citandi et executandi for the purpose of legal proceedings the following physical addresses, and for the purposes of giving or sending any notice provided for or necessary in terms of this agreement, the said domicilia as well as the following contact numbers –

Contacts Details	**The Municipality**	
Addresses	uMlalazi Local Municipality	
	Corner Osborn and Hutchinson Street	
	Eshowe, 3815	
	Municipal Manager	**Service Owner (End-User Department)**
Contact No	Tel: 035 473 3300	Tel: 035 473 xxxx
Emails:	mm@umlalazi.gov.za/ Nhlakaniphos@umlalazi.gov.za	********@umlalazi.gov.za ********@umlalazi.gov.za

Contacts Details	**The Service Provider (To be completed by hand)**	
Addresses		
	Head Office	**Project Manager/ Leader**
	Tel:	Tel:
Contact No	Cell:	Cell:
Emails:		

20.1.2. A party may change its domicilium to other physical address, its e-mail address or any other provided contact details by written notice to other party to that effect. Such change will be effective 7 days after receipt of notice thereof.

20.1.3. All notices to be given in terms of this agreement will be given in writing in English language and be delivered by hand, e-mail or pre-paid postage in a letter addressed to the *domicilium citandi* of the addressee or sent by telefax number of the addressee.

20.2. Any notice so given:-

20.2.1. If hand delivered before 16h00 on a business day, will reputably be presumed to have been received on the day of delivery. Any notice hand delivered after 16h00 on a business day or on a day which is not a business day, will reputably be presumed to have been received on the immediately following business day.

20.2.2. If sent by e-mail, will be reputably be presumed to have been received 1 day after it has been e-mailed, per-paid postage will reputably be presumed to have been received within 7 Calendar days.

20.2.3. Any notice written in the English language which is actually received by the party to whom the written notice- is addressed will be deemed to have been properly given and received notwithstanding that such written notice has not been given in accordance with other provisions of this clause.

THE MUNICIPALITY (UMLALAZI MUNICPALITY)

Thus done and signed by ___________________________ at ________________on this______ day

of____________________ **2024**, in the presence of the undersigned witnesses:-

DULY AUTHORISED REPRESENTATIVE

SIGNATURE…………………………….
[THE MUNICIPAL MANAGER]

As witnesses: **- for (UMLALAZI MUNICIPALITY)**

1. NAME………………………………….. SIGNATURE…………………………

2. NAME………………………………….. SIGNATURE………………………….

THE SERVICE PROVIDER

Thus done and signed by _________________________ at _______________on this______ day of___________________ **2024**, in the presence of the undersigned witnesses:-

DULY AUTHORIZED REPRESENTATIVE

SIGNATURE ……………………………….

[DULYAUTHORISED MEMBER]

As witnesses: - **For: [____]**

COMPANY NAME

1. NAME………………………………… **SIGNATURE** …………………………

2. NAME………………………………… SIGNATURE …………………………

ANNEXURES (as applicable to contract)

- **Appointment letter**
- **Pricing schedule**
- **Certificate of Authority to sign documents**
- **Skills transfer agreement**
- **Initial programme**
- **Resources / quality**
- **Etc.**