

OKHAHLAMBA LOCAL MUNICIPALITY



SOCIAL & ECONOMIC DEVELOPMENT DEPARTMENT

CONTRACT NO: 8/1/1/4/1 – SOC 01/2022

THE LEASING OF THE FRESH PRODUCE MARKET OF OKHAHLAMBA LOCAL MUNICIPALITY

BIDDER'S NAME:

AMOUNT :

AMOUNT IN WORDS:

OKHAHLAMBA LOCAL MUNICIPALITY

CONTRACT NO: 8/1/1/4/1 – SOC 01/2022

THE LEASING OF THE FRESH PRODUCE MARKET OF OKHAHLAMBA LOCAL MUNICIPALITY.

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DEPARTMENT**

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**THE LEASING OF THE FRESH PRODUCE
OKHAHLAMBA LOCAL MUNICIPALITY**

INVITATION TO BID

INVITATION TO BID – PART A

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE OKHAHLAMBA LOCAL MUNICIPALITY					
BID NUMBER:	8/1/1/4/1 – SOC01/2022	CLOSING DATE:	29 March 2022	CLOSING TIME:	12H00
DESCRIPTION	THE LEASING OF THE FRESH PRODUCE MARKET OF OKHAHLAMBA LOCAL MUNICIPALITY				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
259 KINGSWAY STREET (OPPOSITE CALTEX GARAGE)					
PO BOX 71					
BERGVILLE					
3350					
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	Yes No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	Yes No	
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	Yes No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?		Yes No [IF YES, ANSWER PART B:3]
TOTAL NUMBER OF ITEMS OFFERED			TOTAL BID PRICE		R
SIGNATURE OF BIDDER			DATE		
CAPACITY UNDER WHICH THIS BID IS SIGNED					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:			TECHNICAL INFORMATION MAY BE DIRECTED TO:		
DEPARTMENT	FINANCE – SUPPLY CHAIN MANAGEMENT DEPT		CONTACT PERSON	HLENGIWE NDABA	
CONTACT PERSON	THULILE MAPHALALA		TELEPHONE NUMBER	079 496 1893	
TELEPHONE NUMBER	036 – 448 8056		FACSIMILE NUMBER	036 – 448 1986	
FACSIMILE NUMBER	036 – 448 1986		E-MAIL ADDRESS		
E-MAIL ADDRESS	Thulile.Maphalala@okhahlamba.gov.za		hlengiwe.ndaba@okhahlamba.gov.za		

PART B

TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE**
- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.

2. TAX COMPLIANCE REQUIREMENTS

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
- 2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.
- 2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.

3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

- 3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?
YES NO
- 3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?
YES NO
- 3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?
YES NO
- 3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?
YES NO
- 3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?
YES NO

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

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

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

DATE:

OKHAHLAMBA LOCAL MUNICIPALITY

**SOCIAL & ECONOMIC DEVELOPMENT
DEPARTMENT**

CONTRACT NO: 8/1/1/4/1 – SOC 01/2022

**THE LEASING OF THE FRESH PRODUCE
MARKET OF OKHAHLAMBA LOCAL
MUNICIPALITY**

CONDITIONS OF CONTRACT

OKHAHLAMBA LOCAL MUNICIPALITY

CONTRACT NO: 8/1/1/4/1 – SOC 01/2022

THE LEASING OF THE FRESH PRODUCE MARKET OF OKHAHLAMBA LOCAL MUNICIPALITY.

CONDITIONS OF THE BID

A. GENERAL

1. Bid documents must be completed in black ink and prices must **NOT** include VAT.
2. **All pages and annexures must be initialed / signed in full signature where required.**
3. The lowest or any bid will not necessarily be accepted and Okhahlamba Local Municipality reserves the right to accept the whole or any part of a bid or to reject any or all the bid without stating the reasons thereof.
4. No bid will be accepted by fax or e-mail.
5. Bids are to remain open for acceptance for a period of one hundred and twenty (120) days from the date they are lodged and may be accepted at any time during the said period of one hundred and twenty (120) days.
6. All prices and details must be legible / readable to ensure the bid will be considered for adjudication.
7. Full details of services offered must be supplied together with the return documents. All additional documents returned with the bid documents must be firmly bound and marked as **“Additional”** to the specific bid reference number.
8. Only bids on Okhahlamba Local Municipality official bid document will be accepted and the original document must be returned, fully completed and signed, in the form presented. **Failure to do so will invalidate such bid.**
9. **Corrections may not be made by means of a correcting fluid. In the event of a mistake having been made it shall be crossed out in ink and be accompanied by a full signature at each and every alteration.** The Municipality reserves the right to reject the bid if corrections are not made in accordance with the above.
10. Should it be considered necessary by the bidder that officials of Okhahlamba Local Municipality should proceed to other centers for inspection purposes, such costs shall be for the account of the bidder.
11. This contract will be governed by Okhahlamba Local Municipality “Conditions of the Bid” only and not any conditions supplied by the bidder.
12. The bidder must submit a comprehensive company profile, for example the founding company statements, as well as detailed exposition of previous work done.
13. If items are not bid for a line must be drawn through the space in pen.
14. Only bids received by **12:00** on the given closing date in the bid box will be considered.

B. DEMONSTRATION AND INSPECTIONS

1. All bidders must be prepared to demonstrate where required, free of charge and obligation, at the Okhahlamba Local Municipality or any other area within the boundary of the Okhahlamba Local Municipality, any services offered in this bid.
2. Where officials are required to attend demonstrations or inspections outside the boundary of the Bergville Area, all costs to attend such demonstration must be borne by the bidder.

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GENERAL CONDITIONS OF CONTRACT

OKHAHLAMBA LOCAL MUNICIPALITY

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THE LEASING OF THE FRESH PRODUCE MARKET OF OKHAHLAMBA LOCAL MUNICIPALITY.

GENERAL CONDITIONS OF CONTRACT

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GENERAL CONDITIONS OF CONTRACT

1. Definitions

The following terms shall be interpreted as indicated:

- | | |
|--|---|
| 1.1 "Closing time" | means the date and hour specified in the bidding documents for the receipt of bids. |
| 1.2 "Contract" | means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein. |
| 1.3 "Contract price" | means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations. |
| 1.4 "Corrupt practice" | means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution. |
| 1.5 "Countervailing duties" | are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally. |
| 1.6 "Country of origin" | means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components. |
| 1.7 "Day" | means calendar day. |
| 1.8 "Delivery" order. | means delivery in compliance of the conditions of the contract or order. |
| 1.9 "Delivery ex stock" | means immediate delivery directly from stock actually on hand. |
| 1.10 "Delivery into consignees store or to his site" | means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the goods are so delivered and a valid receipt is obtained. |
| 1.11 "Dumping" | occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA. |
| 1.12 "Force majeure" | means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes. |
| 1.13 "Fraudulent practice" | means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment |

of any bidder,
and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

1.14 "GCC"	means the General Conditions of Contract.
1.15 "Goods"	means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
1.16 "Imported content"	means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the goods covered by the bid will be manufactured.
1.17 "Local content"	means that portion of the bidding price, which is not included in the imported content provided that local manufacture does take place.
1.18 "Manufacture"	means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
1.19 "Order"	means an official written order issued for the supply of goods or works or the rendering of a service.
1.20 "Project site,"	where applicable, means the place indicated in bidding documents.
1.21 "Purchaser"	means the organization purchasing the goods.
1.22 "Republic"	means the Republic of South Africa.
1.23 "SCC"	means the Special Conditions of Contract.
1.24 "Services"	means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
1.25 "Supplier"	means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.
1.26 "Tort"	means in breach of contract.
1.27 "Turnkey"	means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.
1.28 "Written" or "in writing"	means hand-written in ink or any form of electronic or mechanical writing.

1.29. "Mixed use Housing" means
Community Rental Units (CRUs) and Low Cost Housing in terms of the
Norms and Standards of the Department of Human Settlements

1.30. "Developer" means Okhahlamba Local Municipality

2. Application

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

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

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

3. General

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

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

4. Standards

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

5. Use of contract documents and information inspection

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

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

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

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

6. Patent Rights

- 6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.
- 6.2 When a supplier developed documentation / projects for the municipality /municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality / municipal entity.

7. Performance security

- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
- (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
 - (b) a cashier's or certified cheque.
- 7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified.

8. Inspections, tests and analyses

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the goods to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the goods or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

- 8.6 Goods and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract goods may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with goods, which do comply with the requirements of the contract. Failing such removal the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods as may be necessary at the expense of the supplier.
- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 22 of GCC.

9. Packing

- 9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage.
Packing, case size weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
- 9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental Services

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;

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

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

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

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

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

14. Spare parts

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

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

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

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

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

15. Warranty

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

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

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

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

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

16. Payment

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

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

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

16.4 Payment will be made in Rand unless otherwise stipulated.

17. Prices

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

18. Variation orders

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

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

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

- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the goods are required, or the supplier's services are not readily available.
- 21.4 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 22.2 without the application of penalties.
- 21.5 Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without cancelling the contract, be entitled to purchase goods of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

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

23. Termination for default

- 23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written

notice of default sent to the supplier, may terminate this contract in whole or in part:

- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- (b) if the supplier fails to perform any other obligation(s) under the contract; or
- (c) if the supplier, in the judgement of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

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

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

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

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

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

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

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

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

24. Antidumping and countervailing duties and rights

When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no

longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the supplier to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the supplier in regard to goods or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

25. Force Majeure

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

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

26. Termination for insolvency

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

27. Settlement of Disputes

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

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

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

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

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

(b) the purchaser shall pay the supplier any monies due the supplier for goods delivered and / or services rendered according to the prescripts of the contract.

28. Limitation of Liability

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

(a) the supplier shall not be liable to the purchaser, whether in contract, tort, or

otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

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

29. Governing language

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

30. Applicable law

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

31. Notices

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

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

32. Taxes and duties

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

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

- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid SARS must have certified that the tax matters of the preferred bidder are in order.

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

33. Transfer of contracts

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

34. Amendment of contracts

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

requirement that the agreement to amend or vary shall be in writing, shall also be in writing.

35. Prohibition of restrictive practices

- 35.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder(s) is / are or a contractor(s) was / were involved in collusive bidding.
- 35.2 If a bidder(s) or contractor(s) based on reasonable grounds or evidence obtained by the purchaser has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No 89 of 1998.
- 35.3 If a bidder(s) or contractor(s) has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

OKHAHLAMBA LOCAL MUNICIPALITY

**SOCIAL & ECONOMIC DEVELOPMENT
DEPARTMENT**

CONTRACT NO: 8/1/1/4/1 – SOC 01/2022

**THE LEASING OF THE FRESH PRODUCE
MARKET OKHAHLAMBA LOCAL MUNICIPALITY**

SPECIAL CONDITIONS OF THE CONTRACT

OKHAHLAMBA LOCAL MUNICIPALITY

CONTRACT NO: 8/1/1/4/1 – SOC 01/2022

THE LEASING OF THE FRESH PRODUCE MARKET OF OKHAHLAMBA LOCAL MUNICIPALITY.

SPECIAL CONDITIONS OF THE CONTRACT

1. DURATION OF CONTRACT

24 months with an intention to extend up to 5 years

2. STANDARDS

Failure to comply with the standards and Specification as set out in the Bid document shall constitute a material breach of the agreement and the Okhahlamba Municipality reserves the right to cancel the contract in terms of Clause 23 of the GCC above.

2. 3.CONFIDENTIALITY

All the information and data which will be collected in terms of the requirements of this Bid shall remain confidential and cannot be transmitted or divulged to the third person without a written consent or permission from the Okhahlamba Municipality's designated official and for all purposes thereof such information shall during and after completion remain the property of the Okhahlamba Municipality unless directed otherwise. Any breach of this provision shall be dealt with in terms of the provisions of the General Condition of Contract.

4.SERVICE LEVEL AGREEMENT

4.1 A service level agreement will be entered into with the successful bidder.

4.2 Negotiations in respect of the Service Level Agreement must be finalized within fourteen days

(14) Calendar days of receipt of the letter of acceptance by the successful bidder".

4.3 Service Level Agreement entered into with the successful bidder will capture the time frames

Or performance applying to this contract.

4.4 Should no consensus be reached within fourteen (14) calendar days of finalising the Service

Level Agreement (SLA), The Municipality will be entitled to:

- i) Cancel its acceptance of the bid, or
- ii) Extend the negotiation period without prejudice to any of its other rights in terms of this contract or common law

5.BID VALIDITY

This bid shall not be withdrawn during a period of one hundred and twenty (90) days from the date on which it is to be lodged and it may be accepted at any time during that period.

6.BID COMPLIANCE

The Bid must comply with the following:

- VAT must be indicated separately.
- This bid or part thereof may not be ceded.

7.RETURNABLE DOCUMENTS

Please see specification attached

5. 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 49 of the Municipal Supply Chain Management Regulations No. 27636 of 2005, 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.

OKHAHLAMBA LOCAL MUNICIPALITY

**SOCIAL & ECONOMIC DEVELOPMENT
DEPARTMENT**

CONTRACT NO: 8/1/1/4/1 – SOC 01/2022

**THE LEASING OF THE FRESH PRODUCE
MARKET OF OKHAHLAMBA LOCAL
MUNICIPALITY**

BID SPECIFICATION

OKHAHLAMBA LOCAL MUNICIPALITY

CONTRACT NO: 8/1/1/4/1 – SOC 01/2022

THE LEASING OF THE FRESH PRODUCE MARKET OF OKHAHLAMBA LOCAL MUNICIPALITY.

SPECIFICATION

TERMS OF REFERENCE: THE LEASING OF THE FRESH PRODUCE MARKET OF OKHAHLAMBA LOCAL MUNICIPALITY

INTRODUCTION

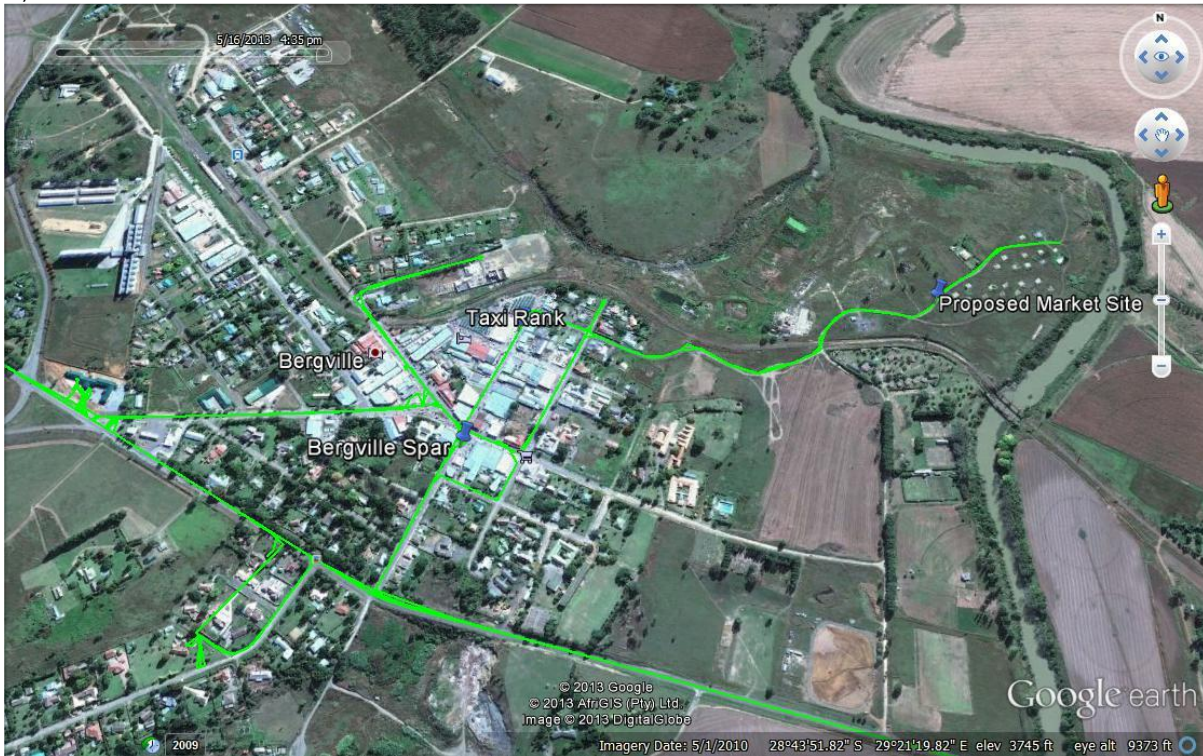
The Okhahlamba Local Municipality is seeking to lease the Fresh Produce Market Distribution Centre facility to a competent technical partner with fresh produce experience. The Municipality through its IDP processes and in response to the outcry from hawkers and other role players has identified Fresh Produce Market as the critical project that is required in the area. In response to this priority the Municipality obtain financial assistance from the Department of Cooperative Governance and Traditional Affairs in relation to conducting a feasibility study and business plan for this project. The study was successfully conducted in 2013 and the market analysis section of the feasibility study remains critical in identifying the future prosperity of the project.

The Preliminary findings indicated that a conventional Fresh Produce Market (FPM) is not Feasible due to a lack of enough variety and volume of local production; and recommended that a Fresh Produce Market Distribution Centre (FPMDC) be established as the only viable alternative to a conventional Fresh Produce Market. The facility was to be designed and built in a manner that caters for bulk trade and processing of produce as well as the needs of hawkers in terms of storage facilities for fruit and vegetables. Hawkers find it difficult to source produce direct from external producers and currently have to use local wholesalers as a supply source;

LOCATION

The Okhahlamba Local Municipality (OLM) has constructed a Fresh Produce Distribution Centre within the Industrial Development Zone and is adjacent to Uthukela Agri-Park identified site in Bergville town in KwaZulu-Natal. This initiative has been funded by the Department of Co-operative Governance and Traditional Affairs (CoGTA) supported by other sector Departments such as the Department of Economic Development Tourism and Environment Affairs (DEDTEA), Rural Development and Land Reform (DRD&LR) and Agriculture (DARD). This site is not far from the main trading areas in the centre of town. The project fulfils the functions of acting as a wholesale fresh produce distribution centre and hawker storage facility. The site is closer to the main trading areas in and around the Taxi Rank. The proposed newly Fresh Produce Distribution Centre lies approximately 900m to the north-east of the Bergville Taxi Rank, as shown in Figure 7.

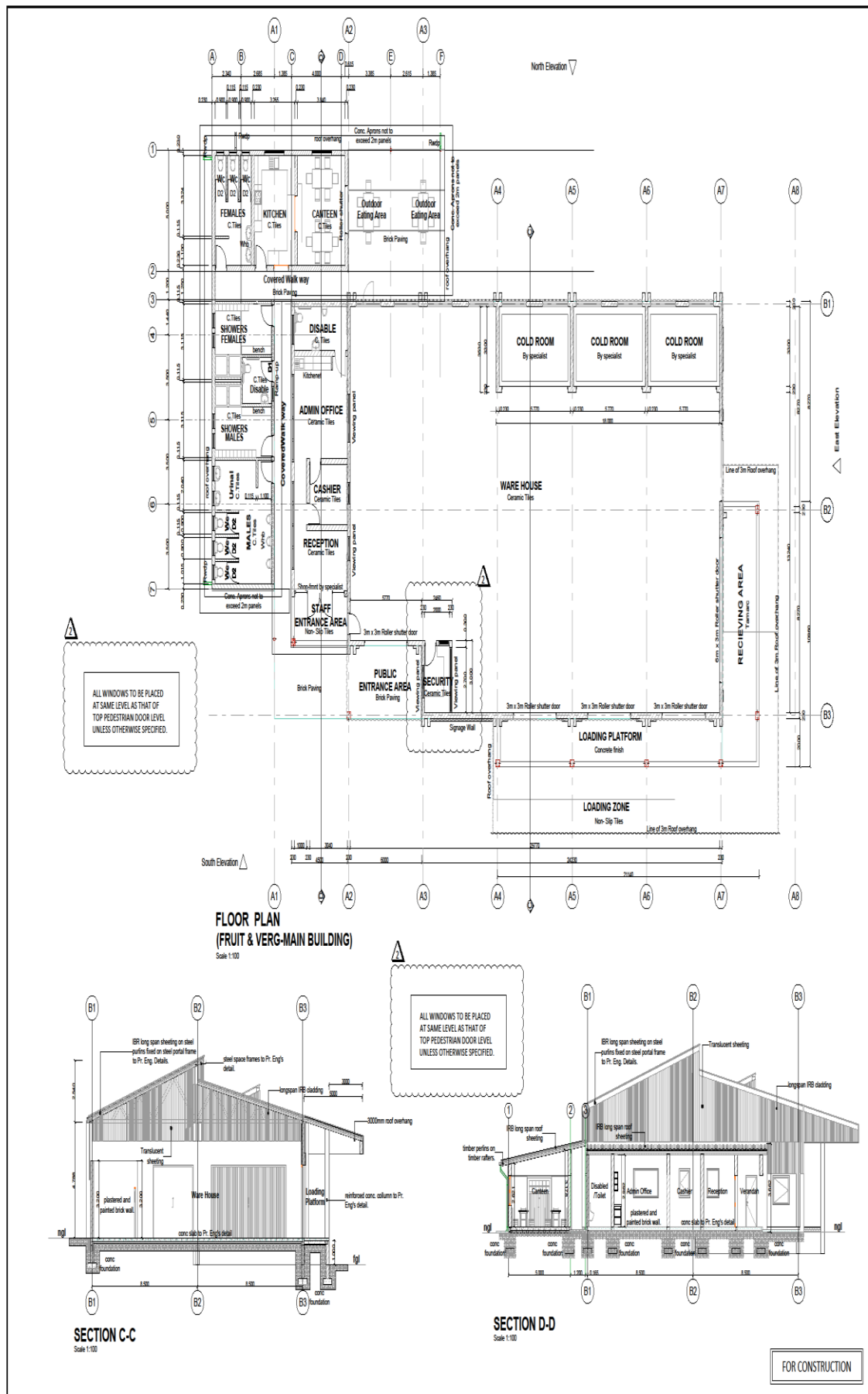
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FRESH PRODUCE MARKET DISTRIBUTION CENTRE SPECIFICATIONS

A reduced drawing of the fresh produce distribution centre is attached as Appendix 1. A high-roofed steel structure approximately 1320m² in extent and divided into various partitions has been constructed. These partitions consist of:

- Six wholesale or bulk produce trading areas consisting of approximately 120m² of secured ground floor trading space, with 24m² of cold room space at the rear, as well as a 30m² mezzanine that can be used for administration or storage purposes, therefore totalling 174m² each.
- Appropriate truck parking, access stairways and dock levelling equipment have been made to allow for easy unloading and loading of produce to and from these wholesale areas.
- A separate set of 18 secured cool storage units approximately 8m² in extent that can cater for the storage needs of potential hawkers tenants;
- In terms of access to the hawker storage area requires to be serviced by an open Handling Apron that is no less than 4m wide, with LDV and car parking provided for the loading and unloading of produce from this area;
- Both the wholesale and hawker areas need to be serviced with fresh produce washing areas (water) where produce can be cleaned and repacked according to need.



GENERAL NOTES:	

TERMS OF REFERENCE

Purpose

Okhahlamba Local Municipality requires the services of an experienced independent agent who can lease the Fresh Produce Market Distribution Centre. The model is based on a Joint Venture (JV) Partnership principle, where a commercial JV partner joins with a Community Co-operative (**or other legal entity such as a trust or private company**) informing a new company (NEWCO) that undertakes the business of managing and operating the enterprise:

- The relative shareholding in NEWCO (of the two parties) will need to be determined on a case by case basis through negotiations that take into account “the value” that each party is bringing to the partnership and associated returns they are expecting as a result;
- The shareholding should however aim to be as equitable as possible, if not immediately then over a period of time, as the success of this model is largely based on everyone involved taking ownership of the business through having a vested interest (significant shareholding) in seeing the business succeed
- The manner/mechanisms by which shares are transferrable should be captured in the Memorandum of Incorporation (MOI) of NEWCO or an appropriate shareholders agreement;
- NEWCO must operate as an independent new company, with its own Board of Directors (BoD) and set of management and employees that are managed in line with the business needs.
- Despite having to report back to its shareholders and being cognisant of their inputs into the business, NEWCO should not be dictated to in any way by its individual shareholders (or any other party) in its daily business operations. This can be achieved by way of a Shareholder’s Agreement;
- The reasoning behind this JV Partnership model is that each partner brings a different set of skills, funding and ultimately contribution to the partnership, with the partnership being stronger in undertaking a specific business than either of the parties on their own. As such:
 - ✓ The Community Co-op (**or other entity**) brings leased/transferred assets, funding and people that can potentially be involved in the management and operations of NEWCO;
 - ✓ The JV Partner brings a range of enterprise specific operational skills, funding and business management expertise;
 - ✓ The Community Co-op (**or other entity**) has a membership that is comprised of people that have previously or now want to be part of the business going forward as a result of their shared common vision and purpose of action;

The NEWCO will be expected to then procure produce from the emerging Community Co-op farmers. This option carry a 5 years renewal lease with the condition of transferring skills to emerging farmers. The municipality intends to lease the facility to a commercial operator in terms of a Lease Agreement for a market-related lease price. Initially, the Okhahlamba LM intends to lease the facility for a period of five years with the option of renewal for a further five years. The Okhahlamba LM will evaluate the submissions and invite shortlisted applicants to enter negotiations with them for the lease of the Fresh Produce Distribution Facility.

The selection of a successful applicant will be based on sound technical expertise and experience.

Scope of work

The lessee will be responsible for all the operating and maintenance costs of the business;

In terms of the Lease Agreement, the lessee will be able to operate the Fresh Produce Market Distribution Centre on a commercial basis but will be contractually bound to:

- Purchase vegetables, of adequate quality, produced by the local emerging farmers, who are members of registered local co-ops, sole proprietor and affiliates to the farmers associations. Thereafter vegetables may be sourced from anywhere to make up the throughput requirements of the Fresh Produce Market Distribution Centre;
- Establish a transparent, pricing structure that must be shared with local suppliers annually;
- Provide a range of specific support services to local suppliers. The support will include defined training and capacity building programmes pertaining to:
 - Quality control procedures and requirements;
 - Delivery arrangements; as well as
 - Administration procedures for co-ops (recording quantity of vegetables from and payment to individual producers).
 - Alternative forms of planting vegetables
 - Mentoring of vegetable outgrowers
 - In partnership with the municipality provide the necessary assistance with equipment and other means necessary to produce quality vegetables throughout the year eg irrigation, fencing.
 - At least 10 vegetable outgrowers to benefit out of this contract over a period of five years.

The Lease Agreement will be administered on behalf of Okhahlamba LM by a formal Steering Committee consisting of senior stakeholders from government and the private sector;

Product branding will be the responsibility of the Lessee.

The Okhahlamba LM will undertake to hand over a Fresh Produce Market Distribution Centre to prospective lessee, prior to the commencement of the lease;

AIMS AND OBJECTIVES

The primary aim of this project is successfully lease out the newly constructed Fresh Produce Market Distribution Centre facility to a competent technical partner with fresh produce experience to make a success of the operation and for small scale farmers in the area to benefit from the newly constructed Fresh Produce Market distribution centre facility. The fresh produce distribution centre should become a springboard to stimulate small businesses to venture into sustainable vegetable farming within the municipal area.

There are several other secondary objectives that whilst subordinate to the main objective, are never the less important. These are inter alia:

To encourage local farmers to plant their own vegetables and supply good quality vegetables to the Fresh Produce Market Distribution Centre facility; and

To improve the economic activity in Okhahlamba, that will in turn encourage other businesses to establish in the area.

ESTABLISHMENT OF OPERATIONS

The prospective lessee will be required to undertake the following (not a complete list) upon receipt of an appointment letter:

Test the newly constructed Fresh Produce Market distribution centre facility equipment and accept responsibility for the facility and its contents;

Sign a lease agreement for the Fresh Produce Market distribution centre;

Conduct a market analysis and in consultation with the municipality, develop a branding strategy for Okhahlamba fresh produced packaging;

Meet the local farmers and inspect their vegetables then agree on vegetable supply contracts with the farmers and this is crucial;

Set up systems (computer, operating, financial, HR etc.) for the facility and its operations;

Acquire any movable assets such as computers, software, desks etc.;

Recruit and train staff;

Secure inputs and inputs contracts;

Begin operations.

A methodology of establishing operations must be clearly demonstrated by the prospective lessee in the tender proposal.

LEASE DURATION

24 Months with an intention to extend up to 5 years.

LEASE REQUIREMENTS

The prospective lessee should be prepared to form a partnership with the a local cooperative/other form of business.....

The proposal to enter into a lease that must be submitted and should include the following:

1. Background and experience of the prospective lessee in the fresh produce market business;
2. Relevant experience with running a process type of operation in the agricultural sector;
3. Capacity to undertake the obligations of operating the business;
4. Name of manager and relevant experience;
5. Knowledge and experience of working and supporting emerging farmers;
- 6 .Total amount offered to the municipality as a monthly lease payment;
7. A valid tax clearance certificate; and SARS pin

8. A Valid BBBEE certificate. (Certified copy)
- 9 .Business registration Documents, Certified ID copy
10. CSD Summary report
11. Rates statement/lease agreement/proof of residence

LEASE AMOUNT

The lease amount offered by the prospective lessee must be entered on the Expression of Interest (EOI) document and must include VAT. This amount must be paid by the lessee on or before the first day of every month. An annual increase will be negotiated on an annual basis.

PRE-CONTRACT CONDITION

Prior to signing of the contract, the lessee will be required to develop and present the lessor with an Operational and Maintenance Plan (OMP) for the facility.

SUBMISSION OF PROPOSAL

Proposals should be submitted in hardcopy with CVs of the key personnel attached.

OKHAHLAMBA LOCAL MUNICIPALITY

**SOCIAL & ECONOMIC DEVELOPMENT
DEPARTMENT**

CONTRACT NO: 8/1/1/4/1 – SOC 01/2022

**THE LEASING OF THE FRESH PRODUCE
MARKET OKHAHLAMBA LOCAL MUNICIPALITY**

FORMS TO BE COMPLETED BY BIDDER

FORM OF BID

FORM OF ACCEPTANCE

DEPARTMENT:

FORM OF BID:

**To: Municipal Manager
P O Box 71
BERGVILLE
3350**

1. I/we hereby bid to supply and deliver the goods as and when ordered by the Head of Department at prices quoted and/or to render all of any of the services described in the attached documents to the Okhahlamba Local Municipality on the terms and conditions and in accordance with the specifications stipulated in the bid documents (and which shall be taken as part of, and incorporated into, this bid) at prices and on the terms regarding time for delivery and/or execution inserted therein.
2. I/we agree that: the offer herein shall remain binding upon me/us and open for acceptance by the Okhahlamba Local Municipality during the validity period of 120 days indicated and calculated from the closing time of bid;
 - 2.1 this bid and its acceptance shall be subject to the terms and conditions contained in the Preference Points Claim Form;
 - 2.2 if I/we withdraw my/our bid within the period for which I/we have agreed that the bid shall remain open for acceptance, or fail to fulfill the contract when called upon to do so, the Council may, without prejudice to its other rights, agree to the withdrawal of my/our bid or cancel the contract that may have been entered into between me/us and the Council and I/we will then pay to the Council any additional expense incurred by the Council having either to accept any less favorable bid or, if fresh bids have to be invited, the additional expenditure incurred by the invitation of fresh bids and by the subsequent acceptance of any less favorable bid. The Council shall also have the right to recover such additional expenditure by set-off against monies which may be due to become due to me/us under this or any other bid or contract and pending the ascertainment of the amount of such additional expenditure to retain such monies, guarantee or deposit as security for any loss the Council may sustain by reasons of my/our default;
 - 2.3 If my/our bid is accepted, the acceptance may be communicated to me/us by letter or order by ordinary post or registered post and that the SA Post Office Ltd shall be regarded as my/our agent, and delivery of such acceptance to SA Post Office Ltd shall be treated as delivery to me/us;

- 2.4 I/we understand that the Council is not bound to accept the lowest or any bid and also reserves the right to divide the contract between one or more bids;
- 2.5 this bid, together with Council's written acceptance thereof, shall constitute a binding contract between us;
- 2.6 that this contract or part thereof shall not be ceded;
- 2.7 the law of the Republic of South Africa shall govern the contract created by the acceptance of my/our bid and that I/we choose Domicilium *citandi et executandi* in the Republic at (full address of this place):
-
-

- 3 I/we furthermore confirm that I/we have satisfied myself/ourselves as to the correctness and validity of my/our bid, that the price(s) and rate(s) quoted cover all the work/item(s) specified in the bid documents and that the price(s) and rate(s) cover all my/our obligations under a resulting contract and that I/we accept that any mistakes regarding price(s) and calculations will be at my/our risk.
- 4 I/we hereby accept full responsibility for the proper execution and fulfillment of all obligations and conditions devolving on me/us under the agreement as the Principal(s) liable for the due fulfillment of this contract.
- 5 I/we agree that any action arising from this contract may in all respects be instituted against me/us and I/we hereby undertake to satisfy fully any sentence of judgment which may be pronounced against me/us as a result of such action.

5.1 Are you duly authorized to sign the bid? *

5.2 Has the Declaration of Interest been duly completed and included with the other bid forms?*

*Delete whichever is not applicable

SIGNATURE:

DATE:

CAPACITY AND PARTICULARS OF THE AUTHORITY UNDER WHICH THIS BID IS SIGNED:

NAME OF BIDDER: _

POSTAL ADDRESS:

TELEPHONE NUMBERS: _____

FACSIMILE NUMBERS: _____

E-MAIL ADDRESS: _____

BID NUMBER: _____

NAME OF CONTACT PERSON: _____

Refer to the under-mentioned important Conditions:

IMPORTANT CONDITIONS

1. Failure on the part of the bidder to sign this bid form and thus to acknowledge and accept the conditions in writing or to complete the attached forms, questionnaire and specifications in all respects, may invalidate the bid.
3. Bids should be submitted on the official forms and should not be qualified by the bidders own conditions of bid. Failure to comply with these requirements or to renounce specifically the bidders own conditions of bid, when called upon to do so, may invalidate the bid.
4. If any of the conditions of this bid form are in conflict with any special conditions, stipulations or provisions incorporated in the bid, such special conditions, stipulations or provisions shall apply.

PRICING SCHEDULE – FIRM PRICES (PURCHASES)

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

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

Name of Bidder.....	Bid Number.....
Closing Time	Closing Date

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

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)
----------	----------	-------------	--

1.	Required by:	
----	--------------	-------

-	At:	
---	-----	-------

.....

2.	Brand and Model	
----	-----------------	-------

3.	Country of Origin	
----	-------------------	-------

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

4.	If not to specification, indicate deviation(s)	
----	--	-------

5.	Period required for delivery	
		*Delivery: Firm/Not firm

6.	Delivery basis	
----	----------------	-------

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

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

*Delete if not applicable

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state¹.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.
- 3 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

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

3.2 Identity Number:

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

3.4 Company Registration Number:

3.5 Tax Reference Number:.....

3.6 VAT Registration Number:

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

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

3.8.1 If yes, furnish particulars.

.....

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

(a) a member of –

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

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

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

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

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

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

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

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

3.9.1 If yes, furnish particulars.....

.....

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

3.10.1 If yes, furnish particulars.

.....

.....

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

3.11.1 If yes, furnish particulars

.....

.....

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

3.12.1 If yes, furnish particulars.

.....

.....

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

3.13.1 If yes, furnish particulars.

.....

.....

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

3.14.1 If yes, furnish particulars:

.....

.....

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

Full Name	Identity Number	State Employee Number

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

DECLARATION FOR PROCUREMENT ABOVE R10 MILLION (VAT INCLUDED)

For all procurement expected to exceed R10 million (VAT 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 a municipality 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 a municipality 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 non-compliance or dispute concerning the execution of such contract?

YES / NO

3.1 If yes, furnish particulars

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? **YES / NO**

If yes, furnish particulars

CERTIFICATION

I, THE UNDERSIGNED (NAME)

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

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

FALSE.

Signature

Date

Position

Name of Bidder

OKHAHLAMBA LOCAL MUNICIPALITY

**SOCIAL & ECONOMIC DEVELOPMENT
DEPARTMENT**

CONTRACT NO: 8/1/1/4/1 – SOC 01/2022

**THE LEASING OF THE FRESH PRODUCE
MARKET OF OKHAHLAMBA LOCAL
MUNICIPALITY**

PROCUMENT DOCUMENTS

PREFERENCE POINTS CLAIM FORM

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

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

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

1. GENERAL CONDITIONS

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

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

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

3. Preference points for this bid shall be awarded for:

1. Price; and
2. B-BBEE Status Level of Contribution.

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

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

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

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

2. DEFINITIONS

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

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

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

2.4 **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;

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

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

2.7 **“consortium or joint venture”** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;

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

2.9 **“EME”** means any enterprise with an annual total revenue of R5 million or less .

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

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

2.12 **“non-firm prices”** means all prices other than “firm” prices;

2.13 **“person”** includes a juristic person;

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

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

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

2.17 **“trust”** means the arrangement through which the property of one person is made over or

bequeathed to a trustee to administer such property for the benefit of another person; and

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

3. ADJUDICATION USING A POINT SYTEM

- 3.1 The bidder obtaining the highest number of total points will be awarded the contract.
- 3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts;.
- 3.3 Points scored must be rounded off to the nearest 2 decimal places.
- 3.4 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 3.5 However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality.
- 3.6 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

4. POINTS AWARDED FOR PRICE

4.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

$$\begin{array}{ccc} 80/20 & \text{or} & 90/10 \\ P_s \left(1 - \frac{P_t - P_{\min}}{P_t} \right)^{20} & \text{or} & P_s \left(1 - \frac{P_t - P_{\min}}{P_t} \right)^{10} \end{array}$$

Where

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

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

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

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

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

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

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

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

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

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

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

6. BID DECLARATION

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

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

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

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

8 SUB-CONTRACTING

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

YES / NO (delete which is not applicable)

8.1.1 If yes, indicate:

- (i) what percentage of the contract will be subcontracted?%
- (ii) the name of the sub-contractor?
- (iii) the B-BBEE status level of the sub-contractor?
- (iv) whether the sub-contractor is an EME? YES / NO (delete which is not applicable)

ble)

9

DECLARATION WITH REGARD TO COMPANY/FIRM

9.1 Name of company/firm :

9.2 VAT registration number :

9.3 Company registration number
:

9.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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

9.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

9.7 Total number of years the company/firm has been in business?

I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm,

9.8

certify that the points claimed, based on the B-BBE status level of contribution indicated in paragraph 7 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

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

WITNESSES:

.....

.....

.....
SIGNATURE(S) OF BIDDER(S)

DATE:.....

ADDRESS:.....

.....

.....

DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT

This Municipal Bidding Document (MBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2011 and the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:201x.

- General Conditions

Preferential Procurement Regulations, 2011 (Regulation 9.(1) and 9.(3) make provision for the promotion of local production and content.

Regulation 9.(1) prescribes that in the case of designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.

Regulation 9.(3) prescribes that where there is no designated sector, a specific bidding condition may be included, that only locally produced services, works or goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered.

Where necessary, for bids referred to in paragraphs 1.2 and 1.3 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.

A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.

The local content (LC) as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 201x as follows:

$$LC = 1 - \left(\frac{x}{y} \right) \times 100$$

Where

x imported content
y bid price excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the South African Reserve Bank (SARB) at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid as required in paragraph 4.1 below.

A bid will be disqualified if:

- the bidder fails to achieve the stipulated minimum threshold for local production and content indicated in paragraph 3 below; and.

this declaration certificate is not submitted as part of the bid documentation.

- Definitions

“bid” includes advertised competitive bids, written price quotations or proposals;

“bid price” price offered by the bidder, excluding value added tax (VAT);

“contract” means the agreement that results from the acceptance of a bid by an organ of state;

“designated sector” means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;

“duly sign” means a Declaration Certificate for Local Content that has been signed by the Chief Financial Officer or other legally responsible person nominated in writing by the Chief Executive, or senior member / person with management responsibility(close corporation, partnership or individual).

“imported content” means that portion of the bid price represented by the cost of components, parts or SERVICES which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs, such as landing costs, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry;

“local content” means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place;

“stipulated minimum threshold” means that portion of local production and content as determined by the Department of Trade and Industry; and

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

- **The stipulated minimum threshold(s) for local production and content for this bid is/are as follows:**

<u>Description of services, works or goods</u>	<u>Stipulated minimum threshold</u>
_____	_____ %
_____	_____ %
_____	_____ %

- Does any portion of the services, works or goods offered have any imported content?

YES / NO

4.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.6 of the general conditions must be the rate(s) published by the SARB for the specific currency at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid.

The relevant rates of exchange information is accessible on www.reservebank.co.za.

Indicate the rate(s) of exchange against the appropriate currency in the table below:

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)

IN RESPECT OF BID No.

ISSUED BY: (Procurement Authority / Name of Municipality / Municipal Entity):

.....

NB The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.

I, the undersigned, (full names),
do hereby declare, in my capacity as
of (name of bidder entity), the following:

(a) The facts contained herein are within my own personal knowledge.

(b) I have satisfied myself that the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286.

(c) The local content has been calculated using the formula given in clause 3 of SATS 1286, the rates of exchange indicated in paragraph 4.1 above and the following figures:

Bid price, excluding VAT (y)	R
Imported content (x)	R
Stipulated minimum threshold for Local content (paragraph 3 above)	
Local content % as calculated in terms of SATS 1286	

If the bid is for more than one product, a schedule of the local content by product shall be attached.

(d) I accept that the Procurement Authority / Municipality /Municipal Entity has the right to request that the local content be verified in terms of the requirements of SATS 1286.

(e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286, may result in the Procurement Authority / Municipal / Municipal Entity imposing any or all of the remedies as provided for in Regulation 13 of the Preferential Procurement Regulations, 2011 promulgated under the Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

SIGNATURE: _____

DATE: _____

WITNESS No. 1 _____

DATE: _____

WITNESS No. 2 _____

DATE: _____

CONTRACT FORM - RENDERING OF SERVICES

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

PART 1 (TO BE FILLED IN BY THE SERVICE PROVIDER)

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

2. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - Bidding documents, viz
 - Invitation to bid;
 - Tax clearance certificate;
 - Pricing schedule(s);
 - Filled in task directive/proposal;
 - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
 - Declaration of interest;
 - Declaration of Bidder's past SCM practices;
 - Certificate of Independent Bid Determination;
 - Special Conditions of Contract;
 - General Conditions of Contract; and
 - Other (specify)

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

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

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

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

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

WITNESSES

1.....

2.....

DATE:.....

CONTRACT FORM - RENDERING OF SERVICES

PART 2 (TO BE FILLED IN BY THE PURCHASER)

I..... in my capacity as.....
accept your bid under reference numberdated.....for the rendering of services
indicated hereunder and/or further specified in the annexure(s).

An official order indicating service delivery instructions is forthcoming.

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

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

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

SIGNED AT ON

NAME (PRINT)

SIGNATURE

OFFICIAL STAMP

WITNESSES

.....

.....

DATE:.....

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- (i) This Municipal Bidding Document must form part of all bids invited.
- (ii) It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- (iii) The bid of any bidder may be rejected if that bidder, or any of its directors have:
- abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
 been convicted for fraud or corruption during the past five years;
 willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 been listed in the Register for BID Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- (iv) **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied). The Database of Restricted Suppliers now resides on the National Treasury's website (www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.	Yes	No
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for BID Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? The Register for BID Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.	Yes	No

4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes	No
4.3.1	If so, furnish particulars:		
Item	Question	Yes	No
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes	No
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes	No
4.7.1	If so, furnish particulars:		

CERTIFICATION

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

CERTIFICATE OF INDEPENDENT BID DETERMINATION

1. This Municipal Bidding Document (MBD) must form part of all bids¹ invited.

2. Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.

3. Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a. take all reasonable steps to prevent such abuse;
 - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.

4. This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.

5. In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

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

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

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity)

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

I certify, on behalf

of: _____ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 1. prices;
 2. geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.

8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

PARTICULARS OF BIDDER

THE FOLLOWING PARTICULARS MUST BE FURNISHED
(FAILURE TO DO SO MAY RESULT IN YOUR BID BEING DISQUALIFIED)

Name of Bidder:_____

Postal Address_____

Street Address_____

Telephone Number

Code_____Number_____

Cell phone Number_____

Facsimile Number Code_____Number_____

Contact Person_____

E-Mail Address_____

Company / Enterprise Income Tax
Reference Number:_____

NO / YES

Has an original Tax Clearance Certificate been attached (MBD2)

Vat Registration Number_____

Company Registration No_____

Is the Firm registered or does it have a Business Licence(s): (Tick one box)

☐ YES

☐ NO

If YES, give details and quote relevant Reference numbers and dates

Are you the accredited Representative in South Africa for the
Goods / services offered by you?

YES/NO (If YES enclose proof)

The undersigned, who warrants that he/she is duly authorised to do so on behalf of the firm, affirms
that the information furnished is true and correct.

Signature: _____

Date: _____

Duly authorised to sign on behalf of: _____

Address: _____

Telephone Number: _____

ENQUIRY CONTACT DETAILS

ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:

MUNICIPALITY:	OKHAHLAMBA
DEPARTMENT:	FINANCE DEPARTMENT
CONTACT PERSON:	MS T MAPHALALA
TEL:	036 448 8000
FAX:	036 448 1986

ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:

DEPARTMENT:	SOCIAL & ECONOMIC DEPARTMENT
CONTACT PERSON:	MRS H NDABA
TEL:	079 496 1893
FAX:	036 448 1986

OKHAHLAMBA LOCAL MUNICIPALITY

**SOCIAL & ECONOMIC DEVELOPMENT
DEPARTMENT**

CONTRACT NO: 8/1/1/4/1 – SOC 01/2022

**THE LEASING OF THE FRESH PRODUCE
MARKET OF OKHAHLAMBA LOCAL
MUNICIPALITY**

FUNCTIONALITY

OKHAHLAMBA LOCAL MUNICIPALITY

CONTRACT NO: 8/1/1/4/1 – SOC 01/2022

THE LEASING OF THE FRESH PRODUCE MARKET OF OKHAHLAMBA LOCAL MUNICIPALITY.

FUNCTIONALITY/ PRE-QUALIFICATION POINTS FOR BID EVALUATION

THE LEASE AND OPERATION OF A NEWLY CONSTRUCTED FRESH PRODUCE DISTRIBUTION CENTRE LOCATED IN OKHAHLAMBA LOCAL MUNICIPALITY

The following information in addition to the general and special Conditions of Contract is required to assess their proposals.

The name of the proposed lessee;

The CVs and competence of the people who will be involved with the Fresh produce market ;

Demonstrable track record of experience and expertise;

Understanding of the key issues outlined in this EOI document; and

The methodology and procedures to effectively achieve the project objectives.

EVALUATION CRITERIA FOR THE TERMS OF REFERENCE FOR THE LEASE AND OPERATION OF A NEWLY CONSTRUCTED FRESH PRODUCE DISTRIBUTION CENTRE LOCATED IN OKHAHLAMBA LOCAL MUNICIPALITY

This bid shall be evaluated in three stages. On the first stage, bids will be evaluated on functionality. On second stage, they will be evaluated in terms of the lease amount and thirdly on the presentation of the proposal before the SCM committees of the municipality.

ADMINISTRATIVE COMPLIANCE

Mandatory requirements:

Failure to submit the following requirements with the proposal will disqualify the bidder's proposal:

A valid Tax Clearance Certificate with a SARS pin;

A certified copy of the B-BBEE Status Level Certificate issued by accredited Verification Agencies by SANAS or Registered Auditor approved by Independent Regulatory Board of Auditor (IRBA); and

A letter of good-standing from the bank.

FUNCTIONALITY (TOTAL 100 POINTS)

Points for functionality will be determined as follows:

Criteria	Points allocated
Understanding the Terms of Reference/partnership with a local business/shareholding in terms of percentage	10
Methodology	30
Operating methodology	10
Enough human resources have been identified for the operation of the fresh produce market facility	10
Clarity of lessee's commitment to local stakeholders	10
Profile and experience of Lessee	50
Appropriate operational model	10
Levels of experience	25
Knowledge of fresh produce business environment	10
Marketing skills/experience	5
Emerging farmer support	10
Appropriate emerging farmers operational model	10
	100

LEASE AMOUNT

The lease amount to be paid to the municipality must be provided in figures as well as in words.

FORMAL PRESENTATIONS

Please note that the presentations will be requested by the Okhahlamba Local Municipality as part of the third phase of the bidding process.

**OKHAHLAMBA LOCAL
MUNICIPALITY**

**SOCIAL & ECONOMIC DEVELOPMENT
DEPARTMENT**

CONTRACT NO: 8/1/1/4/1 – SOC 01/2022

**THE LEASING OF THE FRESH PRODUCE
MARKET OF OKHAHLAMBA LOCAL
MUNICIPALITY**

PRICING SCHEDULE

OKHAHLAMBA LOCAL MUNICIPALITY

CONTRACT NO: 8/1/1/4/1 – SOC 01/2022

THE LEASING OF THE FRESH PRODUCE MARKET OF OKHAHLAMBA LOCAL MUNICIPALITY.

PRICING SCHEDULE

LEASE PRICING			
	MONTHLY	YEARLY	% ESCALATION
YEAR 1			
YEAR 2			
YEAR 3			
YEAR 4			
YEAR 5			
TOTAL			

OKHAHLAMBA LOCAL MUNICIPALITY

**SOCIAL & ECONOMIC DEVELOPMENT
DEPARTMENT**

CONTRACT NO: 8/1/1/4/1 – SOC 01/2022

**THE LEASING OF THE FRESH PRODUCE
MARKET OF OKHAHLAMBA LOCAL
MUNICIPALITY**

CHECK LIST

CHECK LIST

No	Description	Ticked by Bidder	Ticked by Municipal Representative
1.	Initial/Sign of all pages		
2.	Briefing session attended on the 24TH FEBRUARY 2022 at 11:00		
3.	Closing/Bid submission at 12:00 on the 29TH MARCH 2022		
4.	Form of Bid completed		
5.	Valid Tax Clearance Certificate with status verification pin attached MBD 2		
6.	Copy of CK Certificate attached		
7.	Original valid B-BBEE Status Level Verification Certificate or certified copy		
8.	Pricing Schedule completed MBD 3.1.		
9.	Bid Declaration of interest Completed MBD 4		
10.	Preferential Points claimed		
11.	Preferential % calculated and claimed		
12.	Declaration Certificate for Local production and content – MBD 6.2		
13.	Contract Form – rendering of Services MBD 7.2		
14.	Declaration of Bidder's Past Supply Chain Management Practices – MBD 8		
15.	Certificate of Independent Bid Determination MBD 9		
16.	All witnesses signed where its required		
17.	Particulars of bidders Completed		
18.	Functionality Score Card		
19.	Pricing Schedule		