

BID NO: NKA/OMM01/26/27

PROVISION OF INTERNAL AUDIT

NKANDLA MUNICIPALITY



NKANDLA MUNICIPALITY
CONTRACT MANAGEMENT PRACTITIONER

18 -09- 2026

SIGNATURE

BID NUMBER: NKA/OMM01/26/27

PROVISION OF INTERNAL AUDIT SERVICES FOR A PERIOD OF THREE (3) YEARS

ENQUIRIES: CONTRACT MANAGEMENT PRACTITIONER

ISSUED BY:

NKANDLA MUNICIPALITY

PRIVATE BAG X 161 NKANDLA 3855

TEL: 035 833 2000/40

SUMMARY FOR TENDER OPENING PURPOSES

NAME OF TENDERER:

TELEPHONE NO.: ALTERNATIVE NO.:

ADDRESS:

CONTACT PERSON:

EMAIL ADDRESS:

TOTAL PRICE (INCLUDING VAT) FOR A
PERIOD OF 36 MONTHS

R

CSD REGISTRATION NUMBER:

TENDER CLOSES AT 11h00 Monday 19 October 2026

INDEX

DESCRIPTION	PAGE NUMBERS
Tenderer Contact Details	3
Advertisement	4
MBD 1- Invitation to Bid	6
Details of Tenderer	8
Details of Tendering Entity's Bank	10
Resolution taken by the Board of Directors / Members / Partners	11
Resolution taken by the Board of Directors of a Consortium or Joint Venture	13
Joint Venture Information / Agreement	15
Specifications	16
Basis of Evaluation	22
The Tender Offer	25
Acceptance	28
MBD4 – Declaration of Interest	29
MBD6.1 – Preference Points Claim form	33
MBD8 – Declaration of Bidder's Past Supply Chain Management Practices	37
MBD9 – Certificate of Independent Bid Determination	42
Past Experience – COMPULSORY TO COMPLETE!	45
General Conditions of Contract	48
Certificate for Municipal Services	62
Annexures	63

TENDERER CONTACT DETAILS

This information shall be used for any correspondence or contact with the tenderer.

Please indicate whether you want to receive any correspondence via e-mail or send to your postal address by registered mail.

Name of Service Provider:	
Contact Person:	
Email Address:	
Telephone Number:	
Fax Number:	
Physical Address:	
Postal Address:	

NOTE: The service provider shall be deemed to have satisfied himself/herself/themselves as to all the conditions and circumstances affecting this Bid, including the physical aspects of working areas, and by the submission of a Bid, will confirm acceptance of the conditions and circumstances applicable to any subsequent contract.

NB: NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE (as defined in in Regulation 1 of the Local Government: Municipal Supply Chain Management Regulations)

ADVERTISEMENT**PROVISION OF INTERNAL AUDIT SERVICES FOR THE PERIOD OF 3 YEARS
BID NO: NKA/OMM01/26/27**

Nkandla Municipality invites suitably qualified, experienced and professionally competent service providers to submit proposals for the provision of Internal Audit services for a period of three (3) years. The purpose of the appointment is to provide independent and objective assurance and advisory services that support the Municipality in evaluating and improving governance, risk management and internal control processes, while progressively strengthening the Municipality's internal audit capacity through a structured transition from a fully outsourced model to a co-sourced model. **(Detailed specifications contained in the tender document).**

BID DOCUMENTS FOR ABOVE BIDS

The physical address for collection of bid documents is Nkandla Municipality, Finance Department Main Building, Lot 292, Maree Road, Nkandla, upon presentation of a receipt proving prior payment of a non-refundable fee of **R 801.00** (inclusive of VAT), having been made at the Municipal Finance Department, or deposited on the municipal bank account: FNB; Account No 62720610717, Branch 220930 (Use company name and bid number as reference).

Bid documents will be available as from 09h00am on Monday, 21 September 2026 until 13h00pm on Friday 25 September 2026 and will also be made available on www.nkandla.gov.za and www.etenders.gov.za .

SUBMISSIONS

Duly completed proposal, sealed in an envelopes, endorsed with tender number and project name are to be deposited in the Tender Box at the Municipal Offices, Lot 292 Maree Road, Nkandla, by no later than **Monday at 11h00 on the 19th of October 2026 (closing date)**, at which time the bids will be opened in public. Bids are to be submitted on the bid documentation provided by the Municipality.

SUPPORTING DOCUMENTS AND CONDITIONS

Nkandla Municipality's SCM policy will apply. Bidders are required to submit mandatory documents as listed on the tender document where bidders will be required to provide them to proceed to next stage. The Council reserves the right to negotiate further conditions and requirements with the successful bidder and reserve the right not to appoint. Bids that are late, incomplete, unsigned, faxed or e-mailed will not be accepted or considered. The municipality will accept no responsibility for the late delivery of bids by courier services or any other forms of mailing. Bids shall remain valid for 120 days from the closing date (**19 October 2026**). The bidders who are restricted in doing business with the state and who are in a default register are prohibited. The bidders whose tax matter are not in order will be disqualified.

EVALUATION CRITERIA

Nkandla Local Municipality subscribes to the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000). The 80/20 preference points system will be applicable during the evaluation and adjudication of this bid. The amended PPPFA regulation 2022 will be used.

- **STAGE 1: COMPLIANCE TO MANDATORY**, Failure to comply with all the mandatory information will result the proposal deemed nonresponsive.
- **STAGE 2 : FUNCTIONALITY**, Proposals will be subjected to a prequalification in terms of functionality, Functionality: 100 points, minimum qualifying points will be 70 points for further evaluation.
- **STAGE 3: PREFERENTIAL POINTS SYSTEM** (80/20) being 80 for price and 20 for specific goals (Ownership and RDP Goals). (**Detailed evaluation criteria contained in the tender document**).

BID ENQUIRIES

SCM Enquiries	Ms. L.N Mtshali	Lethiwe.Mtshali@nkandla.gov.za	068 268 9927
Technical Enquiries (PMS Department)	Mr. T.P Luthuli	Thembinkosi.Luthuli@nkandla.gov.za	035 833 2076

BID NO: NKA/OMM01/26/27

PROVISION OF INTERNAL AUDIT

MBD 1 : INVITATION TO BID**PART A****YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE NKANDLA LOCAL MUNICIPALITY**

BID NUMBER:	NKA/OMM01/26/27	CLOSING DATE:	19 OCTOBER 2026	CLOSING TIME:	11:00
DESCRIPTION	PROVISION OF INTERNAL AUDIT SERVICES				

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

LOT 292**Maree road****Nkandla****3855****SUPPLIER INFORMATION**

NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:	
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	SCM	CONTACT PERSON	Mr. T.P Luthuli
CONTACT PERSON	Ms L.N Mtshali	TELEPHONE NUMBER	035 833 2076
TELEPHONE NUMBER	035 833 2040	FACSIMILE NUMBER	n/a
FACSIMILE NUMBER	n/a	E-MAIL ADDRESS	Thembinkosi.Luthuli@nkandla.gov.za
E-MAIL ADDRESS	Lethiwe.Mtshali@nkandla.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, 2022, 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:

DETAILS OF TENDERER

Name of firm / entity / enterprise	
Trading as (if different from above)	
Postal address	Postal Code _____
Physical address	
Contact Details of the Person Signing the Tender:	Name: _____ Telephone: (____) _____ Fax: (____) _____ Cellular Number: _____ E-mail address: _____
Contact Details of the Senior Manager Responsible for Overseeing Contract Performance:	Name: _____ Telephone: (____) _____ Fax: (____) _____ Cellular Number: _____ E-mail address: _____
Contact Details of Person Responsible for Accounts / Invoices:	Name: _____ Telephone: (____) _____ Fax: (____) _____ Cellular Number: _____

BID NO: NKA/OMM01/26/27

PROVISION OF INTERNAL AUDIT

	E-mail address: _____
Company Income Tax Number	
VAT Registration Number	
Company Registration Number	
Any other Registration Applicable to this Industry	

DETAILS OF TENDERING ENTITY'S BANK

I/We hereby authorize the Employer/Client to approach all or any of the following bank/s for the purposes of obtaining a financial reference:

DESCRIPTION OF BANK DETAIL	BANK DETAILS APPLICABLE TO TENDERER'S HEAD OFFICE
Name of bank	
Branch name	
Branch code	
Name of Account Holder	
Account number	
Type of Account	

Signature of Tenderer: _____

Date: _____

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

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

NAME OF TENDERER

Held at _____ on _____
(Place) (Date)

RESOLVED THAT:

1. The enterprise submits a Tender to the Nkandla Municipality in respect of the following:

TENDER NUMBER: NKA/OMM01/26/27

2. Mr/Mrs/Ms _____

In his/her capacity as _____

and who will sign as follows: _____

(SPECIMAN SIGNATURE)

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

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

	Name	Capacity	Signature
1			
2			
3			
4			
5			
6			

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

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

NAME OF TENDERER

Held at _____ on _____
(Place) (Date)

RESOLVED THAT:

1. The enterprise submits a Tender to the Nkandla Municipality in respect of the following:

TENDER NUMBER: NKA/OMM01/26/27

(List all the legally correct full names and registration numbers, if applicable, of the Enterprises forming the Consortium / Joint Venture):

_____ and

_____ and

2. Mr/Mrs/Ms _____

In his/her capacity as _____

and who will sign as follows: _____

(SPECIMAN SIGNATURE)

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

3. The enterprise in the form of a consortium or joint venture accepts jointly and several liability with parties under item 1 above for the fulfilment of the obligations of the joint venture deriving from, and in any way connected with the contract to be entered into with the Nkandla Municipality in respect of the project described above under item 1.
4. The **Consortium / Joint Venture** enterprise chooses as its domicilium citandi et executandi for all purposes arising from this joint venture agreement and contract with the Nkandla Municipality in respect of the project under item 1:

(Physical Address) _____

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

	Name	Capacity	Signature
1			
2			
3			
4			
5			
6			
7			

JOINT VENTURE

Only to be completed if applicable

Name of Joint Venture:	
Names of Each Enterprise:	
(1) Name and Address of Enterprise:	
(2) Name and Address of Enterprise:	
(3) Name and Address of Enterprise:	
Has an original valid Tax Clearance Certificate been submitted for each enterprise?	YES NO
CIDB Registration Number(s), if any:	

Submit your Joint Venture Agreement together with this annexure. If no Joint Venture Agreement is submitted, your tender will be disqualified.

SIGNED ON BEHALF OF JOINT VENTURE _____

SPECIFICATIONS

BACKGROUND

Contract period	Three (3) years
Sourcing model	Year 1: Fully outsourced Years 2–3: Co-sourced
Municipal fieldwork from Year 2	Approximately 40%
Internal Audit Management System	Required from Year 2
Estimated annual budget hours	3,000 hours for financial proposal purposes

1. PURPOSE OF THE SPECIFICATION

Nkandla Municipality invites suitably qualified, experienced and professionally competent service providers to submit proposals for the provision of Internal Audit services for a period of three (3) years. The purpose of the appointment is to provide independent and objective assurance and advisory services that support the Municipality in evaluating and improving governance, risk management and internal control processes, while progressively strengthening the Municipality's internal audit capacity through a structured transition from a fully outsourced model to a co-sourced model.

2. LEGISLATIVE AND PROFESSIONAL FRAMEWORK

The Internal Audit services must be performed in accordance with the applicable legislative, regulatory and professional framework, including, where relevant:

- Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), particularly section 165;
- Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and applicable performance management regulations;
- The annual Division of Revenue Act (DoRA) and other legislation applicable to the Municipality;
- The Municipality's approved Internal Audit Charter, policies, procedures and governance arrangements;
- The Institute of Internal Auditors (IIA) Global Internal Audit Standards and applicable mandatory requirements of the International Professional Practices Framework (IPPF); and
- Other applicable National Treasury guidance, municipal policies and recognised professional practices.

Where a legislative, regulatory or professional requirement changes during the contract period, the service provider must apply the requirement that is legally or professionally applicable at the relevant time and advise the Municipality of any material effect on the approved Internal Audit methodology, plan or deliverables.

3. PERIOD OF APPOINTMENT AND PLANNING REQUIREMENTS

The successful service provider will be appointed for a period of three (3) years. The service provider will be required to prepare and maintain a three-year risk-based Internal Audit Strategic Plan, supported by an Annual Internal Audit Plan and Internal Audit Programme for each financial year. The plans must be aligned to the Municipality's strategic objectives, material risks, regulatory obligations, prior audit results and relevant assurance activities, and must be submitted through the Municipality's approved governance processes.

4. SOURCING MODEL AND TRANSITION ARRANGEMENT

The Municipality is transitioning from a fully outsourced Internal Audit model to a co-sourced environment. The transition will be implemented as follows:

Contract year	Operating model	Fieldwork allocation	Service provider accountability
Year 1	Fully outsourced	Service provider performs the Internal Audit fieldwork in accordance with the approved plan.	Planning, execution, supervision, quality assurance, reporting and sign-off.
Year 2	Co-sourced	Approximately 40% of fieldwork performed by the Nkandla Municipality Internal Audit Team; balance performed by the service provider.	60% of fieldwork, Supervision, coaching, technical guidance, review, quality assurance and formal sign-off, including work performed internally.
Year 3	Co-sourced	Approximately 50% of fieldwork performed by the Nkandla Municipality Internal Audit Team; balance performed by the service provider.	50% of fieldwork Supervision, coaching, technical guidance, review, quality assurance and formal sign-off, including work performed internally.

The 40% in year 2 and 50% in year 3 work allocations, is intended to support structured capacity building and skills transfer. The precise allocation of individual engagements and tasks will be agreed through the approved Annual Internal Audit Plan and project planning process, taking account of risk, complexity, independence, available municipal capacity and required specialist skills.

5. CO-SOURCING, COACHING AND SKILLS TRANSFER

During Years 2 and 3, the service provider must:

- Allocate appropriate audit assignments and fieldwork activities to the Nkandla Municipality Internal Audit Team;
- Provide structured on-the-job coaching, mentoring, technical guidance and supervision;
- Review planning documents, audit programmes, working papers, evidence, findings and reports prepared by municipal Internal Audit officials;
- Record, communicate and clear review and coaching notes in a traceable manner;
- Ensure that work performed internally meets the required quality and professional standards before formal sign-off;
- Provide feedback on competency development and areas requiring further improvement; and
- Report periodically on the implementation of the co-sourcing arrangement, including work allocation, coaching delivered, progress, constraints and skills-transfer outcomes.

6. INTERNAL AUDIT MANAGEMENT SYSTEM

From Year 2, the service provider must provide, implement and maintain an appropriate electronic Internal Audit Management System to facilitate the co-sourced operating model and enable effective liaison between the Nkandla Municipality Internal Audit Team and the service provider.

At a minimum, the system must support:

- Creation, allocation and management of audit projects, assignments and tasks;
- Audit planning, risk and control assessment, audit programmes and project milestones;
- Preparation, upload, storage and review of audit working papers and supporting evidence;
- Recording, communication, resolution and clearance of review notes and coaching notes;
- Workflow between preparer, reviewer and approver, with a traceable electronic review and approval trail;
- Supervision, quality assurance and formal sign-off of work performed under the co-sourcing arrangement;
- Tracking of audit findings, management action plans, due dates and follow-up status;
- Secure collaboration and controlled access for designated Municipality and service-provider users;
- Appropriate reporting on project status, outstanding matters and implementation of the approved Internal Audit Plan; and
- Export and retrieval of Municipality records in a commonly accessible format.

The bidder must disclose all costs associated with the system, including implementation, licensing, user access, training, support and maintenance. Internal Audit records relating to Nkandla Municipality must remain accessible to the Municipality. The service provider must maintain appropriate confidentiality, access controls, backup and information-security arrangements and, at contract expiry or termination, provide the Municipality with a complete and usable electronic handover of its audit records.

7. REPORTING LINES, INDEPENDENCE AND OBJECTIVITY

The Internal Audit function will advise the Municipal Manager, as Accounting Officer, and report functionally to the Performance Audit Committee on implementation of the approved risk-based Internal Audit Plan and related

Internal Audit matters. The service provider must preserve the independence and objectivity of Internal Audit and must promptly disclose any actual, potential or perceived conflict of interest that could affect an engagement.

8. SCOPE OF INTERNAL AUDIT SERVICES

The scope will include, but will not necessarily be limited to, assurance and advisory work relating to:

- Internal controls, including controls over financial and performance information;
- Accounting procedures and practices;
- Risk and Risk Management;
- Performance Management and Performance Information;
- Consequence management, including loss control;
- Asset Management;
- Human Resource Management;
- Supply Chain Management;
- Revenue, Expenditure and other Financial Management processes, where included in the approved plan;
- Review of Annual Financial Statements and supporting processes;
- Compliance with the MFMA, the annual Division of Revenue Act, the Municipal Systems Act and other applicable legislation;
- Information Technology governance, general controls and relevant application controls, where included in the approved plan;

- Forensic, probity and investigation-related engagements, subject to appropriate authorization and agreed scope;
- Follow-Up of agreed management actions and relevant Internal Audit findings; and
- Special or Ad Hoc engagements requested by the Municipal Manager, Performance Audit Committee and/or Council, subject to appropriate authorization, independence considerations and available contract resources.

9. MINIMUM REQUIREMENTS FOR EACH AUDIT ENGAGEMENT

Each engagement must be appropriately planned, executed, reviewed, reported and retained. Depending on the nature of the engagement, the audit file should include:

- Engagement notification and approved terms/scope of the assignment;
- Engagement objectives, scope, methodology and timing;
- Risk and Control Assessment and an approved audit programme;
- Sufficient, reliable, relevant and useful supporting evidence;
- Working papers demonstrating the work performed and conclusions reached;
- documented supervisory review, review notes and evidence of clearance;
- Findings that clearly set out the condition, applicable criteria, cause, effect/risk and practical recommendation, where appropriate;
- Management comments, agreed actions, responsible officials and implementation dates;
- Draft and final reports; and
- Appropriate quality review and formal sign-off.

10. KEY CONTRACT DELIVERABLES

Deliverable	Minimum expectation	Frequency / timing
Three-year Risk-Based Internal Audit Strategic Plan	Risk-based strategic coverage for the contract period, aligned to the Municipality's governance processes.	At commencement and updated when material circumstances require.
Annual Internal Audit Plan and Programme	Detailed annual engagements, objectives/coverage, timing and resource requirements.	For each financial year.
Engagement files and reports	Complete, reviewed and signed-off audit documentation and reports.	For each engagement.
Progress reporting	Status of approved plan, completed/in-progress work, significant matters, delays and outstanding actions.	At agreed reporting intervals and for Performance Audit Committee meetings.
Co-sourcing and skills-transfer reporting	Municipal work allocation, coaching, review activity, competency progress and constraints.	Years 2 and 3, at agreed reporting intervals.
Internal Audit Management System	Operational platform with appropriate user access, support and audit trail.	From Year 2 for the remainder of the contract.
Handover of audit records	Complete, accessible and usable Municipality audit records and relevant handover information.	On expiry/termination and as reasonably required.

11. QUALITY ASSURANCE

The service provider must apply appropriate quality assurance over all work performed under the contract, including work performed by the Municipality's Internal Audit Team under the co-sourced model. The service provider must maintain evidence of its quality assurance arrangements and provide relevant evidence when requested by the Municipality. The bidder's External Quality Assessment Review will be evaluated as set out under the functionality criteria.

12. CONFIDENTIALITY, INFORMATION AND RECORDS

The service provider and its personnel must treat information obtained during the assignment as confidential and use it only for authorised contract purposes. Audit documentation must be appropriately protected against unauthorised access, alteration, loss or disclosure. Access to municipal information must be limited to authorised personnel. The service provider must comply with applicable legal and municipal requirements governing information and records.

13. SERVICE PROVIDER RESOURCING

The service provider must maintain sufficient suitably qualified and experienced personnel to execute the approved Internal Audit Plan and provide the specialist skills required by individual engagements. Personnel proposed for evaluation must be available for the contract, subject to reasonable changes approved by the Municipality. Any replacement should have qualifications and experience equal to or better than the person replaced, where applicable.

14. PRICING SCHEDULE AND ESTIMATED HOURS

For purposes of preparing the financial proposal, the estimated budgeted Internal Audit effort is 3,000 hours for each financial year. This estimate is provided for pricing and planning purposes, does not itself, guarantee a minimum volume of work. The financial proposal must clearly identify the applicable professional categories and rates and must accommodate the sourcing model described in this specification.

Financial year / contract year	Estimated annual hours	Operating model	Pricing consideration
Year 1	3,000	Fully outsourced	Service provider to price execution, supervision, quality assurance and reporting.
Year 2	3,000	Co-sourced	Approximately 40% of fieldwork by Municipality; service provider to price its direct work plus supervision, coaching, review, sign-off and Internal Audit Management System obligations.

Year 3	3,000	Co-sourced	Approximately 50% of fieldwork by Municipality; service provider to price its direct work plus supervision, coaching, review, sign-off and Internal Audit Management System obligations.
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15. GENERAL CONTRACT EXPECTATIONS

- The service provider must cooperate with authorized municipal officials, the Performance Audit Committee and other assurance providers where appropriate, without compromising Internal Audit independence.
- All significant limitations affecting the scope, timing, evidence or completion of an engagement must be reported promptly through the appropriate governance channel.
- The service provider must ensure continuity of service and timely escalation of resource constraints that could affect implementation of the approved plan.
- Deliverables must be clear, evidence-based, professionally written and suitable for consideration by management and the Performance Audit Committee.
- Any special or forensic engagement must be separately scoped and appropriately authorized before commencement.

BASIS OF EVALUATION

Nkandla Local Municipality subscribes to the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000). The 80/20 preference points system will be applicable during the evaluation and adjudication of this bid. The amended PPPFA regulation 2022 will be used.

STAGE 1: COMPLIANCE TO MANDATORY

Bidders are required to furnish the following:-

1. Completed Tender Document

- A fully completed and signed tender document must be submitted. The bidder must initial each page of the tender document.

2. Municipal Rates and Taxes Compliance

- The bidder must submit proof of municipal rates and taxes in the form of a municipal rates clearance certificate, municipal account, lease agreement, or letter from the Ward Councillor confirming that the bidder and/or its directors are not in arrears with any municipality for a period exceeding three (3) months.

3. (SAICA/IIA) Registration

- The bidder must provide proof of valid registration with the (SAICA/IIA) or equivalent recognised industry association applicable to Internal auditors.

Failure to comply with all the mandatory information as requested above will result the proposal deemed nonresponsive.

STAGE 2 : FUNCTIONALITY

Bidders will be subject to a prequalification in terms of functionality, thus:

Functionality: 100 points, minimum qualifying points will be 70 points for further evaluation. The Table below reflects **evaluation functionality components** and the overall weighting on each component of the functionality are as follows:

No.	Description	Evidence	Max.	Scoring
1	Company experience in public-sector internal audit	Company profile	10	Over 5 years: 10 points 2–5 years: 5 points Less than 1 year: 0 points
2	Number of current and/or previous public-sector projects undertaken by the firm within the past five (5) years	Appointment letters and reference letter from the respective public-sector clients	20	6 and above projects: 20 points 3–5 projects: 10 points 1–2 projects: 5 points 0 projects: 0 points
3	KwaZulu-Natal municipalities where the firm served as internal auditors/consultants and the municipality received a clean audit	Appointment letters and relevant audit reports	10	2 or more projects: 10 points 1 project: 5 points 0 projects: 0 points

4	Lead Partner / Director: CA(SA) and/or CIA; public-sector experience with traceable experience at the Auditor-General	CV, certified qualifications and membership certificates	20	10 or more years' public-sector experience with traceable Auditor-General experience: 20 points 5–9 years with traceable Auditor-General experience: 10 points Less than 5 years' public-sector experience or no traceable Auditor-General experience: 5 points
5	Internal Audit Manager / Supervisor	CV, certified qualifications and membership certificates	10	CA(SA)/CIA with over 5 years in the public sector: 10 points CA(SA)/CIA with less than 5 years in the public sector: 5 points Degree/postgraduate qualification in Internal Audit: 3 points
6	Critical expertise: Information Technology Auditor	CV, certified qualifications and membership certificates	10	CISA with over 10 years' experience: 10 points CISA with less than 10 years' experience: 5 points No CISA qualification: 0 points
7	Two Senior Internal Auditors: qualifications in Accounting, Internal Audit and/or Forensic Auditing	CVs, certified qualifications and membership certificates	10	Postgraduate qualification: 10 points Degree: 5 points Diploma: 3 points
8	External Quality Assessment Review (QAR)	QAR report	10	Firm's QAR report received within the past 3 years: 10 points No QAR report: 0 points

TOTAL FUNCTIONALITY SCORE: 100 POINTS

NB: Only proposals which pass the second stage with the **minimum of 70%** for the functionality will then be evaluated further in the third stage.

STAGE 3: PREFERENTIAL POINTS SYSTEM

(80/20); 80 for price and 20 for specific goals.

Specific Goals 1: Ownership (maximum points 10)

The specific goals allocated in terms of this tender	points allocated	Verification document(s)
Promotion of Business owned 100% by black people	10	CSD
Promotion of Business owned less than 100% by black people	00	CSD

Specific Goals 2: RDP Goals (maximum points 10)

The specific goals allocated in terms of this tender	points allocated	Verification document(s)
Promotion of Business falls under KZN province	10	CSD
Promotion of Business falls outside KZN province	00	CSD

THE TENDER OFFER

The Municipal Manager
 Nkandla Municipality
 Private Bag X161
 Nkandla
 3855

Madam,

I/We Mr/Mrs/Miss _____ duly assigned to represent the service provider for the purpose of this tender, hereby tender to render all or any of the services described in the attached document to the Nkandla Municipality on terms and conditions stipulated in this tender and in accordance with the specifications stipulated in the tender document (which shall be taken as part of, and incorporated into this tender) for an amount of:-

	Total Price for duration of the contract (36 months) Inclusive of VAT	Total Price per month Inclusive of VAT
Amount	R _____	R _____
In Words		

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

I/we further agree that:

This tender and its acceptance shall be subject to the terms and conditions contained in the Nkandla Municipality's Supply Chain Management Policy;

If I/we withdraw my/our tender within the period for which I/we have agreed that the tender shall remain open for acceptance, or fail to fulfill the contract when called upon to do so, the Nkandla Municipality may, without prejudice to its other rights, agree to the withdrawal of my/our tender or cancel the contract that may have been entered into between me/us and the Nkandla Municipality and I/we will then pay to the Nkandla Municipality any additional expense incurred by the Nkandla

Municipality having either to accept any less favorable tender or, if fresh tenders have to be invited, the additional expenditure incurred by the invitation by the invitation of fresh tenders and by the subsequent acceptance of any less favorable tender; the Nkandla Municipality shall also have the right to recover such additional expenditure by set-off against moneys which may be due or become due to me/us under this or any other tender or contract or against any guarantee or deposit that may have been furnished by me/us or on my/our behalf for the due fulfillment of this or any other tender or contract and pending the ascertainment of the amount of such additional expenditure or retain such moneys, guarantee or deposit as security for any loss the Nkandla Municipality may sustain by reason of my/our default;

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

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

Physical Address: _____

I/we furthermore confirm that I/we have satisfied myself/ourselves as to the correctness and validity of my/our tender; that the price(s) and rate(s) tendered cover all the work/item(s) specified in the tender 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 own risk.

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

BID NO: NKA/OMM01/26/27

PROVISION OF INTERNAL AUDIT

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

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

Name: _____

Signature: _____

Date: _____

This form must be completed and signed to be considered provisionally responsive.

ACCEPTANCE

By signing this part of the form of offer and acceptance, the employer identified below accepts the supplier's offer. In consideration thereof, the employer shall pay the supplier the amount due in accordance with the conditions identified in the tender data. Acceptance of the supplier's offer shall form an agreement between the employer and the supplier upon the terms and conditions contained in this agreement and in the contract that is the subject of this agreement.

Notwithstanding anything contained herein, this agreement comes into effect on the date when the supplier receives one fully completed original copy of this document, including the schedule of deviations (if any). Unless the supplier within five working days of the date of such receipt notifies the employer in writing of any reason why he cannot accept the contents of this agreement, this agreement shall constitute a binding contract between the parties.

For the Employer:

NKANDLA MUNICIPALITY

Name: Miss N.P Dlamini

Signature: _____

Capacity: **MUNICIPAL MANAGER**

Date: _____

MBD 4 : DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in the 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 / 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 (where applicable) 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.

.....
.....

3.9. Have you been in the service of the state for the past
twelve months?

YES/NO

3.9.1. If so, 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 so, state particulars.

.....
.....

3.11. Are you aware of any relationship (family, friend, other)
between the bidder and any person 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 so, state particulars.

.....
.....

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

YES/NO

3.12.1. If so, state 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 so, furnish particulars.

.....
.....

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

YES/NO

3.14.1. If so, furnish particulars.

.....
.....

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

BID NO: NKA/OMM01/26/27

PROVISION OF INTERNAL AUDIT

THE FOLLOWING INFORMATION IS COMPULSORY TO COMPLETE:

Full Name	Identity Number	Individual Tax Number for each Director	State Employee Number (Where applicable)

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

MBD 6.1 : PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

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

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

1. GENERAL CONDITIONS

1.1 The following preference point system is applicable to invitations to tender:

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

1.2 **To be completed by the organ of state**

(delete whichever is not applicable for this tender).

- a) The applicable preference point system for this tender is the 80/20 preference point system.
- b) The 80/20 preference point system will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

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

- (a) Price; and
- (b) Specific Goals.

1.4 **To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	
SPECIFIC GOALS	
Total points for Price and SPECIFIC GOALS	100

- 1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

- (a) **"tender"** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **"price"** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **"rand value"** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **"tender for income-generating contracts"** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

3.1.1 THE 80/20 PREFERENCE POINT SYSTEM

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

80/20	or	90/10	
$P_s = 80 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)$	or	$P_s = 90 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)$	

Where

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

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

3.2.1. POINTS AWARDED FOR PRICE

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

80/20	or	90/10	
$P_s = 80 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right)$	or	$P_s = 90 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right)$	

Where

- P_s = Points scored for price of tender under consideration
 P_t = Price of tender under consideration
 P_{max} = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement

Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
 - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
- then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Promotion of Business owned 100% by black people	10	
Promotion of Business owned less than 100% by black people	00	
Promotion of Business falls under KZN province	10	
Promotion of Business falls outside KZN province	00	

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

- (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution, if deemed necessary.

.....
SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME:

DATE:

ADDRESS:

MBD8 : DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

1. This Municipal Bidding Document must form part of all bids invited.
2. 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.
3. The bid of any bidder may be rejected if that bidder, or any of its directors have:
 - a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
 - b. been convicted for fraud or corruption during the past five years;
 - c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
4. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's database as a company or person prohibited from doing business with the public sector? (Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury 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 Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.	Yes ☐	No ☐
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes ☐	No ☐
4.3.1	If so, furnish particulars:		
Item Question			
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 ☐
4.5.1	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 Title

Name of the Bidder

MBD 9 : 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 (MBD9) must be completed and submitted with the bid:

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

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

MBD 9 : CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

NKA/OMM01/26/27 – PROVISION OF INTERNAL AUDIT SERVICES

in response to the invitation for the bid made by:

NKANDLA MUNICIPALITY

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:
 - (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)

- (c) methods, factors or formulas used to calculate prices;
- (d) the intention or decision to submit or not to submit, a bid;
- (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
- (f) bidding with the intention not to win the bid.

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

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

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

Signature

Date

Position Title

Name of the Bidder

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.

COMPULSORY TO COMPLETE!**PAST EXPERIENCE**

Tenderers must furnish hereunder details of similar works/services, which they have satisfactorily completed in the past. The information shall include a description of the Works, the Contract value and name of Employer.

NAME OF THE EMPLOYER	DURATION AND COMPLETION DATE OF WORKS / SERVICES	EMPLOYER CONTACT PERSON NAME AND NUMBER	EMPLOYER CONTACT PERSON E-MAIL ADDRESS

DATE

SIGNATURE OF TENDERER

NKANDLA MUNICIPALITY PROCUREMENT

GENERAL CONDITIONS OF CONTRACT

TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Variation orders
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Anti-Dumping and countervailing duties and rights
25. Force Majeure
26. Termination for insolvency
27. Settlement of disputes
28. Limitation of liability
29. Governing language

30. Applicable law
31. Notices
32. Taxes and duties
33. Transfer of contracts
34. Amendment of contracts
35. Prohibition of restrictive practices

General Conditions of Contract**Definitions:**

1. The following terms shall be interpreted as indicated:
 - 1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
 - 1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 "Day" means calendar day.
 - 1.8 "Delivery" means delivery in compliance with 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 ancillaries 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 product / service required by the contract.

1.28 "Written" or "in writing" means hand-written in ink or any form of electronic or mechanical writing.

2. Application:

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

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

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

3. General:

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

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

4. Standards:

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

5. Use of contract documents and information inspection:

5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the provider 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 provider'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 provider 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 or municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality or 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 provider 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, test and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or an 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 23 of GCC.

9. Packing:

9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and

exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' destination and the absence of heavy handling facilities at all points in transit.

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

10. Delivery and documents:

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

11. Insurance:

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

12. Transportation:

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

13. Incidental services:

13.1 The supplier may be required to provide any or all 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 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 provider for similar services.

14. Spare parts:

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

- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
- (b) in the event of termination of production of the spare parts:
 - (i) advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
 - (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty:

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

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of

shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise.

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

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

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

16. Payment:

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

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

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

16.4 Payment will be made in Rand unless otherwise stipulated.

17. Prices:

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

18. Variation orders:

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

19. Assignment:

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

20. Subcontracts:

20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under 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 supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties:

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

23. Termination for default:

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

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

23.2 if the supplier fails to perform any other obligation(s) under the contract; or

23.3 if the supplier, in the judgement of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.4 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.

23.5 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.

23.6 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.

23.7 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.

23.8 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.

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

24. Anti-Dumping and Counter-Vailing duties and rights:

24.1 When, after the date of bid, provisional payments are required, or antidumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such antidumping 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 supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

25. Force Majeure:

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to

the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

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

26. Termination for insolvency:

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

27. Settlement of disputes:

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

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

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

27.4 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 to the supplier for goods delivered and / or services rendered according to the prescripts of the contract.

28. Limitation of liability:

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

(a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs,

provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

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

29. Governing language:

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

30. Applicable law:

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

31. Notices:

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

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

32. Taxes and duties:

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

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

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

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

33. Transfer of contracts:

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

34. Amendment of contracts:

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

35. Prohibition of restrictive practices:

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

35.2 If a bidder(s) or contractor(s) based on reasonable grounds or evidence obtained by the purchaser has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties are 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.

CERTIFICATE FOR MUNICIPAL SERVICES

Information required in terms of the Nkandla Municipality's Supply Chain Management Policy.

Tender Number: NKA/OMM01/26/27

Name of the Tenderer: _____

FURTHER DETAILS OF THE BIDDER/S: Proprietor / Director(s) / Partners, etc:

Physical Business address of the Bidder	Municipal Account Number(s)

If there is not enough space for all the names, please attach the additional details to the Tender document.

Name of Director / Member / Partner	Identity Number	Physical residential address of Director / Member / Partner	Municipal Account number(s)

I, _____, the undersigned,

(full name in block letters)

certify that the information furnished on this declaration form is correct and that I/we have 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.

_____(Signature) THUS DONE AND SIGNED for and on behalf of the Bidder at

_____ on the _____ day of _____ 2026

Please note:

Even if the requested information is not applicable to the Bidder, the table above should be endorsed **NOT APPLICABLE** and **THIS DECLARATION MUST STILL BE SIGNED**.

ANNEXURES

Bidders are required to attached all the returnable documents here.

