

# CHIEF ALBERT LUTHULI MUNICIPALITY



## APPOINTMENT OF AN ADVERTISING AGENCY (THREE YEAR PERIOD, AS AND WHEN REQUIRED)

Contract No. ALMT06/2022

|                                          |                                          |
|------------------------------------------|------------------------------------------|
| <b>Chief Albert Luthuli Municipality</b> | <b>Chief Albert Luthuli Municipality</b> |
| PO Box 24                                | PO Box 24                                |
| CAROLINA                                 | CAROLINA                                 |
| 1185                                     | 1185                                     |
| Contact for Administration:              | Contact for Technical:                   |
| Name: Mr. JA Nkosi                       | Name: Mr. SS Sibeko                      |
| Telephone. (017) 843 4025                | Telephone. (017) 843 4012                |
| <b>Tenderer</b> .....                    |                                          |

**CLOSING DATE & TIME: 19 August 2022**

**@ 12H00**

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## 1. INVITATION TO BID

|                                                                                       |
|---------------------------------------------------------------------------------------|
| <b>APPOINTMENT OF AN ADVERTISING AGENCY (THREE YEAR PERIOD, AS AND WHEN REQUIRED)</b> |
|---------------------------------------------------------------------------------------|

You are hereby invited to submit proposals for APPOINTMENT OF AN ADVERTISING AGENCY (THREE YEAR PERIOD, AS AND WHEN REQUIRED)

**BID NUMBER:** ALMT06/2022

**CLOSING DATE:** 19 August 2022 @ 12H00

**DESCRIPTION:** Appointment of an Advertising Agency (Three Year Period, As and When Required)

**The successful bidder will be required to fill in and sign a written Contract Form (MBD 7).**

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### **BID DOCUMENTS MAY BE**

**DEPOSITED IN THE BID BOX SITUATED AT:**

- the ground floor in the Chief Albert Luthuli Municipality Head Office in CAROLINA

**Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration.**

- The bid box is generally open during normal office hours from 07h30 to 16h15.

|                                             |
|---------------------------------------------|
| <b>The following conditions will apply:</b> |
|---------------------------------------------|

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Price(s) of the bid must be valid for at least ninety (90) days from date of your offer.</li><li>• Price(s) of the bid must be firm and must be inclusive of VAT.</li><li>• Submission of an Original Valid Tax Clearance Certificate or SARS Pin.</li><li>• This bid will be evaluated in terms of the 80/20 preference point system as prescribed in the Preferential Procurement Policy Framework Act (No 5 of 2000) and for this purpose the enclosed forms MBD 6.2, MBD6.3, MBD 6.9, MBD 6.10, and MBD 6.11 must be scrutinized, completed and submitted together with your bid. <b>Please refer to Bid Forms numbered 9.4. to 9.9 in this document.</b></li></ul> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The onus lies with applicant to supply proof for any of the criteria in the abovementioned forms. Please note that if no information is supplied, the bidder will score “0” for the applicable section.</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- |                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• The successful service provider will be the one scoring the highest points.</li><li>• No telegraphic or facsimile proposals will be considered.</li></ul> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- The service providers must provide clearance from the municipality where they are based indicating that they are not in arrears with regard to their respective municipal services accounts.

Failure to comply with these conditions will invalidate your offer.

**NB: No bids will be considered from persons in the service of the state<sup>1</sup>**

**ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS – (NOT TO BE RE-TYPED)**

<sup>1</sup> \* MSCM Regulations: “in the service of the state” means to be –

- (a) a member of –
  - (i) any municipal council;
  - (ii) any provincial legislature; or
  - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature.

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

NAME OF BIDDER .....

POSTAL ADDRESS .....  
 ..... CODE: .....

STREET ADDRESS .....  
 ..... CODE: .....

TELEPHONE NUMBER: (CODE) ..... (NUMBER) .....

CELLPHONE NUMBER .....

FACSIMILE NUMBER: (CODE) ..... (NUMBER) .....

VAT REGISTRATION NUMBER: .....

HAS AN ORIGINAL TAX CLEARANCE CERTIFICATE BEEN ATTACHED (MBD 2)?  
YES/NO

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS/  
SERVICES OFFERED BY YOU?  
YES/NO

(IF YES ENCLOSE PROOF)

SIGNATURE OF BIDDER: .....

DATE: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED: .....

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**ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:**

**Municipality/ Municipal Entity:** Chief Albert Luthuli Local Municipality

**Department:** Supply Chain Management Unit

**Contact Person:** Mr. JA Nkosi

**Tel:** 017 843 4025

**Fax:** 017 843 4001

**ANY EQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:**

**Contact Person:** Mr. SS Sibeko

**Tel:** 017 843 4000

**Fax:** 017 843 4001

## 2. TERMS OF REFERENCE (TOR)

PROSPECTIVE BIDDERS ARE HEREBY INVITED TO SUBMIT PROPOSALS FOR APPOINTMENT OF AN ADVERTISING AGENCY

### 2.1 General Information:

#### **Purpose**

The Municipality is soliciting proposals from appointment of an advertising agency

#### **Type of contract**

The contract will be a three year contract. Services will be as and when required.

#### **Submission of proposals**

A single Envelope System will be used. Bidders must submit technical and financial proposals in two envelopes marked clearly **MUNICIPAL MANAGER, CHIEF ALBERT LUTHULI MUNICIPALITY, BID ALMT06/2022, "APPOINTMENT OF AN ADVERTISING AGENCY (THREE YEAR PERIOD, AS AND WHEN REQUIRED)"**

The sealed tenders must be deposited in the Tender Box of the Municipality on or before the closing date of 19 August 2022 at 12:00 where after they will be opened in public. Late proposals will not be accepted\considered as well as those submitted via facsimile or email.

Proposals must be accompanied by:

- completed tender documents
- a company profiles,
- curriculum vitae of proposed members of the team,
- Original valid tax clearance certificate.
- Municipal Rates
- B-BBEE status level Verification Certificates
- Company's Certificate
- Company's Profile

Failure to submit all required documents will lead to disqualification of the tender.

Proposals must be signed by an authorized agent to bind the service provider to its provisions.

#### **Oral presentation**

Finalists may be invited to present their proposals in a meeting with the municipality at a date to be advised.

## **B. Background:**

Chief Albert Luthuli Municipality (CALM) requires services of an agent to handle advertisement of vacancies and other articles in the print media.

### **2.2 Project Objectives**

The main objective for the project is to provide periodic advertisement services for Chief Albert Luthuli Municipality. This document sets out terms of reference for the appointment of an advertising agency to assist the Municipality with advertising services in the print media as and when required by the Chief Albert Luthuli Municipality.

### **2.3 Scope of Works\Deliverables**

The consulting service required is split as follows:

- Advertisements/ articles shall consist mainly of bold heading, sub-heading, and text in light and bold type faces as well as borders. The provision must also be made for submission of final copies before printing.
- It will be expected of the service provider to be able to maintain strong ethical standards in its work and shall liaise with the Municipality.
- The service provider shall at the request of the Municipality, for the duration of the contract, arrange for the placing of vacancy advertisements and other articles in the media agreed upon with the Municipality. The service provider shall at all times be available to the Municipality.
- The basis of this bid shall be the discount of the media commission to the advertising agency (bidder) shared with the Municipality.

Proposals are invited from a single service provider or consortia. In the event that no single service provider or consortium meets the capacity requirements, the **MUNICIPALITY** reserves the right to request service providers who meet other evaluation criteria to form a consortium for the purpose of this project.

### **2.4 Methodology**

The service provider will be required to specify the methodology, process and approach to undertake this work, i.e.:

- what procedure is going to be used to execute the service

### **2.5 Required Expertise, Skills and Formal Qualifications of Team Members**

The team proposed by the service provider must possess the following expertise, skills and formal qualifications:

### 2.5.1 Company Experience

- Minimum of three (3) years' experience in advertising.
- Companies are required to provide proof that they have facilitated/performed similar projects, accompanied by correspondence from references providing that such project was executed as well as their contactable references
- Failure to submit correspondence from references will invalidate the points allocated in this category.

### 2.5.2 Team Leader and Members Experience

- Minimum of three years (3) experience in advertising
- CV's to be attached on the technical proposal

## 2.6 Evaluation criteria

Bids will be evaluated on 80/20 point system as outlined in the PPPFA of 2011. Bidders will be evaluated based on functionality. The minimum threshold for functionality is **70 out of 100 points**. Bidders who fail to meet minimum threshold will be disqualified and will not be evaluated further for BEE points.

| Criteria                                                                                                                                        | Weights    |
|-------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>Company Experience</b> (at least five (5) years' experience in providing similar services                                                    | 10         |
| <b>Relevant Experience</b> in the field (Provide certified appointment letters as proof). 10 points per appointment letter                      | 50         |
| <b>Qualification and CV's</b> of personnel with minimum of three year (3) tertiary qualification. 10 points per CV and certified qualifications | 30         |
| <b>Organizational Staff</b> ( Company's Personnel Structure)                                                                                    | 10         |
| <b>Total</b>                                                                                                                                    | <b>100</b> |

## 2.7 Project Duration

The duration of the project is three (03) years, as and when required.

### **For more information contact :**

Person: Mr. JA Nkosi

Contact no: 017 843 4000

Fax no: 017 843 4001

E-mail: nkosija@albertluthuli.gov.za@albertluthuli.gov.za

## 2.9 Terms & Conditions of a Service Provider

The service provider will be expected to sign a Service Level Agreement (SLA) with the Municipality prior to commencement of the service.

**2.10 Format & Submission of the Proposal**

- All the forms (MBD) that are included in the bid document must be completed in all respects by bidders. Failure to comply will invalidate a bid.

### 3. SPECIAL CONDITIONS OF CONTRACT

1. Tenders are hereby invited to submit proposals for appointment of an advertising agency
2. Price(s) of the bid, which must be firm and VAT inclusive, must be valid for at least ninety (90) days from date of your offer.
3. The successful service provider, who must be registered as a service provider with the applicable professional body, will be the one scoring the highest points.
4. The successful service providers must provide clearance from the where municipality they are based indicating that they are not in arrears with regard to their respective municipal services accounts.
5. Bidders must initial all the pages of the Bid document and sign the Bidder particulars page in full.
6. Bidders must complete the original Bid document in black ink, and notice must be taken that tip-ex may not be used in the document.

The original Bid document must be submitted together with the Technical Proposal.

8. The transaction shall be subject to any stipulations in any Act, Ordinance or By-law pertaining thereto.
9. No proposals by any person that is not competent to enter into an agreement will be considered and if it is established that it is the case, the contract agreement in this regard will be considered null and void by Council.

Disputes must be settled by means of mutual consultation, mediation (with or without legal representation) or when unsuccessful, in a South African court of law on an attorney and client scale.

Should any legal action be deemed necessary to determine any aspect arising out of these conditions or to enforce any rights in terms of these conditions, then and in that event the parties hereto agree categorically to the jurisdiction of the Magistrate's Court to hear such action and to pass judgment notwithstanding the fact that the cause of action is beyond the jurisdiction of the Court: Provided always that Council shall have the right in its sole discretion to take action in any competent higher court in any matter exceeding the ordinary jurisdiction of the Magistrate's Court.

**Council reserves the right to accept any cost proposal in a tender submitted or part thereof and will not be obliged to accept the lowest tender price submitted in a tender OR any cost proposal submitted.**

#### **4. BID FORMS**

##### **4.1. MBD 2 - TAX CLEARANCE**

#### **TAX CLEARANCE REQUIREMENTS**

IT IS A CONDITION OF BIDDING THAT –

1. The taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with the Receiver of Revenue to meet his / her tax obligations.
2. The attached form “Application for Tax Clearance Certificate (in respect of bidders)”, must be completed in all respects and submitted to the Receiver of Revenue where the bidder is registered for tax purposes. The Receiver of Revenue will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of twelve (12) months from date of issue. This Tax Clearance Certificate must be submitted in the original together with the bid. Failure to submit the original and valid Tax Clearance Certificate may invalidate the bid.
3. In bids where Consortia / Joint Ventures / Sub-contractors are involved each party must submit a separate Tax Clearance Certificate. Copies of the Application for Tax Clearance Certificates are available at any Receiver’s Office.

**APPLICATION FOR TAX CLEARANCE CERTIFICATE  
(IN RESPECT OF BIDDERS)**

4. Name of taxpayer /bidder:

5. Trade name: .....

3. Identification number: 

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
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|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

4. Company / Close Corporation registration number: 

|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|

5. Income tax reference number: 

|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|

6. VAT registration number (if applicable): 

|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |  |  |
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7. PAYE employer's registration number (if applicable): 

|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|

Signature of contact person requiring Tax Clearance Certificate:  
.....  
.....

Name: .....

Telephone number: Code: ..... Number: .....

Address: .....  
.....  
.....

DATE: 20\_\_\_\_ / \_\_\_\_ / \_\_\_\_

PLEASE NOTE THAT THE COMMISSIONER FOR THE SOUTH AFRICAN REVENUE SERVICE (SARS) WILL NOT EXERCISE HIS DISCRETIONARY POWERS IN FAVOUR OF ANY PERSON WITH REGARD TO ANY INTEREST, PENALTIES AND / OR ADDITIONAL TAX LEVIABLE DUE TO THE LATE- OR UNDERPAYMENT OF TAXES, DUTIES OR LEVIES OR THE RENDITION RETURNS BY ANY PERSON AS A RESULT OF ANY SYSTEM NOT BEING YEAR 2000 COMPLIANT.

#### 4.2 MBD 3.3 – PRICING SCHEDULE

It is expected of the proposing service provider(s) to outline their detailed fee structure, indicating all concomitant service(s) together with their relevant cost(s).

#### **PRICING SCHEDULE**

|                       |
|-----------------------|
| Name of Bidder: ..... |
| Bid Number: .....     |
| Closing Time: .....   |
| Closing Date: .....   |

**Service Providers are requested to attach fees (in Rand Value) structure here**

#### 4.3 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 service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority and/or take an oath declaring his/her interest.
- 3 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

3.1 Full Name: .....

3.2 Identity Number: .....

3.3 Company Registration Number: .....

3.4 Tax Reference Number: .....

3.5 VAT Registration Number: .....

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

3.6.1 If so, furnish particulars.

.....

.....

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

3.7.1 If so, furnish particulars.

.....

.....

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

3.8.1 If so, furnish particulars.

.....

.....

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

3.9.1 If so, furnish particulars

.....  
 .....

3.10 Are any of the company's directors, managers, principle shareholders or stakeholders in service of the state?

3.10.1 If so, furnish particulars. YES/NO

.....  
 .....

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

3.11.1 If so, furnish particulars.

.....  
 .....

Full details of directors/ trustees/ members/ shareholders

| Full Name | Identity Number | State Employee Number |
|-----------|-----------------|-----------------------|
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |

.....  
**Signature**

.....  
**Date**

.....  
**Capacity**

.....  
**Name of Bidder**

**PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL  
PROCUREMENT REGULATIONS 2001**

**NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF EQUITY OWNERSHIP BY HISTORICALLY DISADVANTAGED INDIVIDUALS (HDIs), AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2001.**

**1. GENERAL CONDITIONS**

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

- the 80/20 system for the procurement of services with a Rand value of up to R1000 000; and
- the 90/10 system for the procurement of services with a Rand value above R1000 000.

1.2 The value of this bid is estimated to exceed R1000 000 and therefore the 90/10 system shall be applicable.

1.3 Preference points for this bid shall be awarded for:

- (a) Price (80 points)
- (b) Criteria as specified in the form. (20 points)

1.3.1 The points for this bid are allocated as follows:

**1.3.1.2 Direct Preferencing**

Points will be awarded to a Tenderer for attaining their B-BBEE status level contributor in accordance with the table below:

| <b>B-BBEE Status Level of Contributor</b> | <b>Number of Points</b> |
|-------------------------------------------|-------------------------|
| 1                                         | 20                      |
| 2                                         | 18                      |
| 3                                         | 16                      |
| 4                                         | 12                      |
| 5                                         | 8                       |
| 6                                         | 6                       |
| 7                                         | 4                       |
| 8                                         | 2                       |
| Non-Compliant Contributor                 | 0                       |

**Total points for Price and B-BBEE status level must not exceed 100.**

1.4 Failure on the part of a bidder to fill in and/or to sign this form may be interpreted to mean that preference points are not claimed.

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

## 2. **GENERAL DEFINITIONS**

- 2.1 **“Acceptable bid”** means any bid which, in all respects, complies with the specifications and conditions of bid as set out in the bid document.

- 2.2 **“Bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods, works or services.

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

- 2.4 **“Consortium or joint venture”** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract.

- 2.5 **“Contract”** means the agreement that results from the acceptance of a bid by an organ of state.

- 2.6 **“Specific contract participation goals”** means the goals as stipulated in the Preferential Procurement Regulations 2001.

- 2.6.1 In addition to above-mentioned goals, the Regulations [12.(1)] also make provision for organs of state to give particular consideration to procuring locally manufactured products.

- 2.7 **“Control”** means the possession and exercise of legal authority and power to manage the assets, goodwill and daily operations of a business and the active and continuous exercise of appropriate managerial authority and power in determining the policies and directing the operations of the business.

- 2.8 **“Disability”** means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being.

- 2.9 **“Equity Ownership”** means the percentage ownership and control, exercised by individuals within an enterprise.

- 2.10 **“Historically Disadvantaged Individual (HDI)”** means a South African citizen

- (1) who, due to the apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act No 110 of 1983) or the Constitution of the Republic of South Africa, 1993, (Act No 200 of 1993) (“the interim Constitution); and/or
- (2) who is a female; and/or
- (3) who has a disability:

provided that a person who obtained South African citizenship on or after the coming to effect of the Interim Constitution, is deemed not to be a HDI;

- 2.11 **“Management”** means an activity inclusive of control and performed on a daily basis, by any person who is a principal executive officer of the company, by whatever name that person may be designated, and whether or not that person is a director.
- 2.12 **“Owned”** means having all the customary elements of ownership, including the right of decision-making and sharing all the risks and profits commensurate with the degree of ownership interests as demonstrated by an examination of the substance, rather than the form of ownership arrangements.
- 2.13 **“Person”** includes reference to a juristic person.
- 2.14 **“Rand value”** means the total estimated value of a contract in Rand denomination that is calculated at the time of bid invitations and includes all applicable taxes and excise duties.
- 2.15 **“Small, Medium and Micro Enterprises (SMMEs)”** bears the same meaning assigned to this expression in the National Small Business Act, 1996 (No 102 of 1996).
- 2.16 **“Sub-contracting”** means the primary contractor’s assigning or leasing or making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.
- 2.17 **“Trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person.
- 2.18 **“Trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

### **3. ESTABLISHMENT OF HDI EQUITY OWNERSHIP IN AN ENTERPRISE**

- 3.1 Equity ownership shall be equated to the percentage of an enterprise which is owned by individuals classified as HDIs, or in the case of a company, the percentage shares that are owned by individuals classified as HDIs, who are actively involved in the management and daily business operations of the enterprise and exercise control over the enterprise, commensurate with their degree of ownership.
- 3.2 Where individuals are not actively involved in the management and daily business operations and do not exercise control over the enterprise commensurate with their degree of ownership, equity ownership may not be claimed.

### **4. ADJUDICATION USING A POINT SYSTEM**

- 4.1 The bidder obtaining the highest number of points will be awarded the contract.
- 4.2 Preference points shall be calculated after prices have been brought to a comparative basis.
- 4.3 Points scored will be rounded off to 2 decimal places.
- 4.4 In the event of equal points scored, the bid will be awarded to the bidder scoring the highest number of points for specified goals

**5. POINTS AWARDED FOR PRICE**

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

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

**80/20                      or                      90/10**

$$P_s = 80 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right) \quad \text{or} \quad P_s = 90 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

$P_s$      =     Points scored for price of bid under consideration

$P_t$      =     Rand value of bid under consideration

$P_{\min}$    =     Rand value of lowest acceptable bid

**6. MUNICIPAL INFORMATION**

Municipality where business is situated: .....

Registered Account No: .....

Stand No: .....

**7. TOTAL NUMBER OF YEARS THE FIRM HAS BEEN IN BUSINESS?**

.....

**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?<br><b>(Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the <i>audi alteram partem</i> rule was applied).</b>                                                                                                                       | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.1.1 | If so, furnish particulars:                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                 |                                |
| 4.2   | Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?<br><b>(To access this Register enter the National Treasury's website, <a href="http://www.treasury.gov.za">www.treasury.gov.za</a>, click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 3265445).</b> | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |

|             |                                                                                                                                                                                                                                        |                                 |                                |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|--------------------------------|
| 4.2.1       | If so, furnish particulars:                                                                                                                                                                                                            |                                 |                                |
| 4.3         | Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?                                                 | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.3.1       | If so, furnish particulars:                                                                                                                                                                                                            |                                 |                                |
| <b>Item</b> | <b>Question</b>                                                                                                                                                                                                                        | <b>Yes</b>                      | <b>No</b>                      |
| 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<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 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<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.7.1       | If so, furnish particulars:                                                                                                                                                                                                            |                                 |                                |

### CERTIFICATION

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

CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM TRUE AND CORRECT.

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

.....

Signature

.....

Date

.....

Position

.....

Name of Bidder

\_\_\_\_\_

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**MBD 9**

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

---

(Bid Number and Description)

in response to the invitation for the bid made by:

---

(Name of Municipality / Municipal Entity)

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

I certify, on behalf

of: \_\_\_\_\_ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word “competitor” shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - a) has been requested to submit a bid in response to this bid invitation;
  - b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However,

communication between partners in a joint venture or consortium<sup>1</sup> will not be construed as collusive bidding.

7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
- a) prices;
  - b) geographical area where product or service will be rendered (market allocation)
  - c) methods, factors or formulas used to calculate prices;
  - d) the intention or decision to submit or not to submit, a bid;
  - e) the submission of a bid which does not meet the specifications and conditions of the bid; or
  - f) Bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No. 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No. 12 of 2004 or any other applicable legislation.

.....  
**Signature**

.....  
**Date**

.....  
**Position**

.....  
**Name of Bidder**