

**RE-ADVERT: REQUEST FOR THE MULTI-UTILITY ONLINE VENDING SYSTEM
INCLUDING THIRD-PARTY VENDING, TID AND REVENUE ENHANCEMENT FOR
NKOMAZI LOCAL MUNICIPALITY FOR A PERIOD OF THREE (3) YEARS**

BID NO: NKO:16/2023

**The Municipal Manager
Mr X.T MABILA**

VAT Registration No: 4300102938

PLEASE NOT THAT THIS DOCUMENT MUST ACCOMPANY YOUR PROPOSAL AND RELEVANT DOCUMENTATION

Name of Bidder	
Address	
Contact Numbers	
Telephone No. or Cell phone No.	
Fax No.	
E-mail Address	
Tendered Amount (VAT INC)	

CLOSING DATE: 06/10/2023



Nkomazi
Local Municipality

9 Park Street - Malalane

Private Bag X101

Malalane,

1320

Tel: (013) 790 0245

Fax: (013) 790 0886

Customer Care No. (013) 790 0990

www.nkomazi.gov.za

BID NO:16/2023: RE-ADVERT; REQUEST FOR THE MULTI-UTILITY ONLINE VENDING SYSTEM INCLUDING THIRD PARTY VENDING, TID AND REVENUE ENHANCEMENT FOR NKOMAZI LOCAL MUNICIPALITY FOR A PERIOD OF THREE (3) YEARS

The Nkomazi Local Municipality invites interested parties to tender/bid for the: Re-Advert; request for the multi-utility online vending system including third-party vending, TID and revenue enhancement for the Nkomazi Local Municipality for a period of three (3) years. Tender documentation with complete details is available upon the payment of a non-refundable amount of **R1 530.00** on each tender document or can be downloaded for free on the e-Tender portal. Tender document(s) will be available as from **01/09/2023** and to be obtained at Nkomazi Local Municipality: Budget and Treasury (Old Malalane Taxi Rank) Impala Street from the Cashiers Desk from **07h45 to 15H30** (Monday-Friday).

An optional tenderer briefing session will be held on **13/09/2023 at 10h00** at the Municipal Town Hall Malalane (Kobwa Hall) at Fish Eagle. It is advisable that Service Providers do attend the briefing session for explanation and clarity purposes. Bidders are advised not to commit fraudulent activities or forge document. All abusers of the SCM system, including or faking of returnable documents, may be reported to SAPS and restricted from doing business with any public institution for a period not exceeding 10 years in line with section 28 and 29 of the prevention and combating of corrupt activities Act 12 of 2004

A preferential system shall apply whereby this contract will be allocated to a bidder in accordance with the Preferential Procurement Policy Framework Act, no 5 of 2000 and as defined in the bid document, read in conjunction with the Preferential Procurement Regulation, 2022 where 80 points will be allocated in respect of price and 20 points in respect of targeted goals.

Completed bid documentation must be deposited on/before **12h00 on 06/10/2023** in the Tender Box situated at the main entrance of the municipality (Civic Centre), 9 Park Street Malalane.

Tenders/Bids must be submitted in a sealed envelope or container on which the tender/bid number and addressee is clearly marked. No bids transmitted by fax or e-mail will be accepted. It must be noted that the municipality is not bound to accept the lowest on any other tender. Tender/bid documentation which is incomplete or filled incorrectly, not filled in on the official bid documentation or which is received after the close of the bids, will be ignored. It must also be noted that tender submitted in a wrong tender box will not be considered.

For Supply Chain enquiries contact Mr. R. Mabuza at 013 790 0386, and for technical enquiries contact Mr. T Mashabane at 013 790 0386, between 07H15 – 16H00 on working weekdays.

XT MABILA
MUNICIPAL MANAGER

29.08.2023

Date

INVITATION TO BID

T					
BID NUMBER:	NKO:16/2023	CLOSING DATE:	06/10/2023	CLOSING TIME:	12:00 AM
DESCRIPTION	Advert Request for Service Provider to Render Multi-Utility Online Vending System Including Third -Party Vending, Tid and Revenue Enhancement for Nkomazi Local Municipality for three (3) year.				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS):					
NKOMAZI LOCAL MUNICIPALITY CIVIC CENTRE (HEAD OFFICE)					
9 PARK STREET					
MALELANE					
1320					
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	☐ Yes ☐ No	
PREFERENCE POINTS IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022 WILL APPLY					
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	SUPPLY CHAIN UNIT		CONTACT PERSON	Mr. T Mashabane	
CONTACT PERSON	Mr. M Mabuza		TELEPHONE NUMBER	(013) 790 0386	
TELEPHONE NUMBER	(013) 790 0386		FACSIMILE NUMBER	(013) 590 6195	
FACSIMILE NUMBER	(013) 590 6195		E-MAIL ADDRESS	Themba.Mashabane@nkomazi.gov.za	
E-MAIL ADDRESS	Richard.Mabuza@nkomazi.gov.za				

PART B TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:										
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION. 1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.										
2. TAX COMPLIANCE REQUIREMENTS										
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS. 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS. 2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA. 2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3. 2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID. 2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER. 2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.										
3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS										
<table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?</td> <td style="width: 20%; text-align: right;">☐ YES ☐ NO</td> </tr> <tr> <td>3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?</td> <td style="text-align: right;">☐ YES ☐ NO</td> </tr> <tr> <td>3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?</td> <td style="text-align: right;">☐ YES ☐ NO</td> </tr> <tr> <td>3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?</td> <td style="text-align: right;">☐ YES ☐ NO</td> </tr> <tr> <td>3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?</td> <td style="text-align: right;">☐ YES ☐ NO</td> </tr> </table> 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.	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
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3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	☐ YES ☐ NO									

**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:

❖ **The following conditions must be complied with: Failure to comply with the following will render the tenderer liable to rejection:**

- All pages must be completed, and all page's form part of the tender document, therefore no page removal is allowed.
- Scratching out / painting over rates / use of correcting fluid is not allowed.
- Failure to attend compulsory site inspections / compulsory briefing sessions in case is required.
- Failure to submit documents required in this document
- Form of tender not filled and signed and all pages of bid documents not initialed.
- Enterprise particulars not provided.
- The bid has been submitted after the closing date and time.
- Failure to sign all required Pages of the Tender documents

❖ **Compulsory returnable Documents: failure to return documents below is an automatic disqualification with the exception of the BBBEE Status Certificate**

- Attach Copy of SARS Tax Pin or tax clearance certificate
- Copy of Central Supplier Database Registration Report
- Certified copy of Company Registration (CK)
- All declarations and authorisations must be duly signed.
- All returnable schedules must be completed
- Attach proof of rates and taxes not later than 3 months/Proof of Residence
- Copy of Authority for signatory (Must be in the company letter head)

❖ **NB: Certified copies of documentation must not be older than three months to be regarded as valid. Copies of “certified copies” will not be acceptable as true copies of original documents. Failure to adhere will lead to immediate disqualification.**

“Acceptable bid” means any bid which, in all respects, complies with the conditions of bid and specifications as set out in the bid documents, including conditions as specified in the Preferential Procurement Policy Framework Act (Act 5 of 2000) and related legislation as defined in this bid document, read in conjunction with the Preferential Procurement Regulation, 2022 where 80 points will be allocated in respect of price and 20 points in respect of targeted goals

1. The tender document(s) have been drafted to ensure that essential information is furnished upon the correct completion of the document(s). Where there is insufficient space, or additional particulars are required to be furnished, such must be provided on a separate annexure, clearly indicated.
2. Tender document(s) may not be retyped or redrafted. Also no photocopies of the original document(s) may be used.
3. Tender document(s) may be completed by mechanical devices such as typewriters; alternatively black ink must be used to fill in the document(s).
4. Tenderer must ensure that no pages are missing from the bid document(s), and that the pages of the bid are numbered consecutively. Nkomazi Local Municipality shall not be held liable with regard to claims arising from the fact that pages are missing or duplicated.
5. Firm tender prices (rates) and delivery periods are preferred, and tenders must clearly state whether prices and delivery periods will remain firm for the duration of the contract or not.
6. Tenderer must be strictly to specification. In cases where items are not to specification, deviations must be clearly indicated. It must also be noted that supplier/tenderer may quote for other items other than the one indicated on the schedule of quantity on a separate sheet, but it would not form part of items to be evaluated for.
7. Tender prices must be quoted in South African currency and in the specified units, unless the contrary is clearly indicated.
8. All the documents herewith form part of the bid and failure to comply with any part thereof may invalidate a bid.
9. Nkomazi Local Municipality may issue Briefing Notes during the briefing session which may contain amendments or information that may assist bidders in articulating their bids.
10. It is advisable that Service Providers do attend the briefing session though it is not compulsory, but for explanation and clarity service providers are encouraged to attend. It is also important that those who will not make it on the briefing would not be penalized and they will be allowed to contact the office for clarity.
11. Nkomazi Local Municipality does not require bidders to attach proof of payment for the purchase of bid document where previously it was a requirement.

1. Background

- Nkomazi Local Municipality herewith invites proposals for a multi-utility pre-paid vending system / solution that will be fully integrated and Compatible with the Local Municipalities existing financial system and applications and function on the existing electronic infrastructure. The period of appointment will be for a period of three (3) years.
- Bids from suitable service providers will be evaluated according to the set criteria as set out in this document.

2. DESCRIPTION OF THE SERVICES REQUIRED

- The scope of the contract as detailed in this specification is as follows:

2.1 The supply, delivery, installation, training and commissioning of the most optimal vending solution for Electricity STS meters, including a cloud based back-end, billing system integration and distributed 3rd party 24-hour vending, offered by the tenderer within the framework and performance specification as detailed in this document.

2.2. The successful tenderer will also provide a Revenue Protection service to eliminate the loss of revenue a result of prepaid meter failure, tampering and / or bypassing. A funded revenue protection service will be preferred.

2.3. It will comprise the provision of data management and Revenue Protection for the whole Nkomazi Local Municipal jurisdiction area.

- This will include:
 - Data and Revenue protection sweep audits and TID Rollover services
 - Data and Revenue protection targeted audits and TID Rollover services
 - Data and Revenue protection remedial actions.
 - Detailed auditing of LPU meter installations and configurations.
 - Provision of detailed reference database.
- ❖ The tenderer must have a proven experience and at least a two-year track record for providing services of this nature, and may be required to demonstrate their solution and provide physical proof of the in-field tools used for these services

2.4. Stand-by and support required as detailed in this document.

2.5. Disaster recovery and business continuity as specified.

2.6. TYPES OF METERS

2.6.1 (74 Business (Three Phase) Meters)

2.6.2 (4363 Single Phase Residential)

Note: Average Monthly Collection through Vending is R3 million

P4 KILMISS THREE PHASE MITTERS

3. REQUIREMENTS

❖ USE OF REASONABLE SKILL AND CARE

- In applying the scope of work, it is expected of the service provider(s) to render services that commensurate with the highest expectations of professionals in the industry and to ensure that all legislative requirements are met.
- It is expected of the service provider to take ownership of the project and to facilitate a process that commensurate with the integrity of the municipality as a public institution to ensure successful completion of project within budget estimates and time frames.
- It will also be required of the service provider to report back at project management team meetings and to contribute to reports on the process progress and outcomes to the relevant officials and/or committees if need be.
- It will be required of the service provider to prepare a detailed phased project program for the project within 2 weeks of appointment. This must include system testing and user acceptance. The Service Providers are required to acknowledge the dynamics of proper planning for the practical completion of the project. The completion of the project will be within three (3) months after allocation of the tender.

4. NORMATIVE REFERENCES

- ❖ The solution offered must be compliant with SABS 1524, the STS Specifications and SABS IEC 1036. The following standards contain provisions which through reference in the SABS 1524 constitute provisions of this specification.

SABS 1524-1:1994	Single-phase electricity dispensing systems, Part 1: Electricity Dispensers.
SABS IEC 1036:1990	Alternating-current static Watt-hour meters.
NRS 009-4-2:1994	National electricity meter cards and associated numbering standards section two national electricity meter number. (Replacing MCI57).
MC 115	National electricity meter card specification for ED's (will be replaced by a NRS spec in future)
IEC 62055-41/51/52	Standard transfer specification edition 2, STS600-8-6

ESKOM XMLVend 2.1	Eskom's specification for standardization of vending client/server protocols
NRS 009-1:1994	Electricity Sales Systems Part 1: Glossary system overview. Preferred requirements for applications in the electricity supply industry.

5. SCOPE OF WORK

5.1 Scope of Work

- The Service Provider is expected to provide Prepaid Electricity Vending Services to the Client consumers as outlined in the proposal attached hereto as which shall forms part of the agreement.
- The Service provider shall:
- Provide Software for the Sales of prepaid electricity
- House the primary Electricity Processing Services. including all databases and respective hardware in a secure, air-conditioned, temperature regulated computer room with fire detection and fire-fighting equipment
- Take whatever corrective actions are in its discretion necessary to ensure optimal availability of the service and rapid problem resolution;
- Ensure processing infrastructure uptime of 99.5% in core operating hours and 95% in non-core operating hours.
- Downtime for routine maintenance/upgrades shall be scheduled in non-core hours with a maximum of 12 hours per month.
- Notify the Client not less than 48 hours prior to planned downtime of the Service
- Providers systems.
- Perform periodic benchmarking of the Service Providers Systems to ensure that processing capacity and performance levels are constantly met.
- Make available a monthly sales reports of all Transactions conducted on the system within 3 days from the last day of the month.
- Pay over all monies to the Client immediately that they become due.
- The Client shall:
- Report to the Service Provider immediately it becomes aware of any issues that might need resolving by the Service Provider.
- Take all reasonable precautions to ensure that all user names and password to the system provided to the Client and their respective employees are kept secret and to immediately notify the service provider should they believe, these may have been compromised

5.2 SPECIFICATION ON VENDING SYSTEM

5.2.1 SYSTEM CONFIGURATION

- In making an assessment of the hardware, software, network infrastructure availability and requirements at each of the current vending offices, the tenderer shall keep in mind the system configuration required by Nkomazi Local Municipality and utilize the current infrastructure belonging to Nkomazi Local Municipality. It remains the responsibility of the tenderer to ensure compliance to the tenderer's minimum requirements.
- The vending system must be TCP/IP compliant and functional over Ethernet on a LAN/WAN environment. WIFI, GPRS, ADSL and Diginet lines must also be accommodated.
- The vending solution offered by the tenderer must be capable of managing and vending to Electricity STS meters from a common platform and user interface. A single consumer record must have the capacity to have Electricity meters linked to it.
- A hosted database configuration set is required with standby disaster recovery capability for business continuity.
- A disaster recovery plan shall be provided with all necessary hardware and infrastructure utilized.
- Assurance of business continuity in the event of a catastrophic systems and / or communications system breakdown in the Municipal environment must be provided. A description of associated redundancies built into the offered solution must also be provided
- The system should have the capacity provide for a monthly update of a local database copy in Nkomazi Local Municipality premises if and when required.

5.2.2 PHYSICAL LOCATION OF SERVERS AND WORKSTATIONS

- The configuration envisaged by the municipality is one where the management and vending server(s) will be located off-site in a high availability environment with redundant power and connectivity. Full disaster recovery and business continuity will be provided for.
- Vending workstations (credit dispensing units) will be required at each of the vending offices. The system must not be limited to existing workstations and locations. Two offices operate without internet connections and use GPRS based handheld vending units at present. This must be accounted for in the offer. The tenderer is required to evaluate the existing hardware at each of the current offices and make an optimum solution recommendation to the municipality.

5..2.3 SYSTEM CAPACITY

- The system shall be designed to ultimately accommodate a minimum of 200 000 consumers/meters. The system shall have the capacity to retain a five (5) year transaction history (estimated 50 million transactions) in the live database and older transactions in an archive database. Any system limitations shall be indicated by the tenderer.

5.2.4 PERFORMANCE SPECIFICATION

- A full and detailed functionality description of the system shall be provided by the tenderer.
- The tenderer shall not focus on provisioning of computer hardware since Nkomazi Local Municipality will use existing infrastructure where possible. For this reason it is also imperative that tenderers should be quite clear on where Nkomazi Local Municipality's hardware and/or networks lack the capability and/or capacity to function properly with the system proposed by the tenderer and the tenderer should indicate the cost of additional or replacement infrastructure.
- A detailed graphical drawing depicting the proposed network and system layout must be drafted to clarify and indicate solution functionality. Should changes be required, full specifications and pricing must be provided.
- The system proposed by the tenderer should at least make sure that:
 - Different servers are utilized for different applications such as:
 - Database functions
 - Management applications
 - Transactions
 - Encryption / Security
 - Disaster recovery
- The vending solution should be designed to use a relational database and run as a client server application on a LAN or a WAN. It should be able to run under the Windows Server 2003/2008 and at least Windows XP operating systems. The network for the vending solution is Ethernet. The network protocols shall be TCP/IP and be able to operate real-time over GPRS/3G/EDGE/HSDPA/GPRS/WIFI/ADSL/Diginet as available in certain areas in the on-line mode
- In order to simplify the third-party integration, process the system will comply with Eskom XMLVend 2.1 (or later). It would be preferred that the system is native XML i.e. that there is no translation interface between the system and an XML client and that all client/server interfaces are based on the XML standard.

- The system shall be a single database solution which from which both management functions and vending take place for all meter and utility types. All updates to customer data must be immediately available at vending terminals and all transactions made at all sales outlets must be immediately available for reporting on.
- The vending terminal solution shall be web based or a web application which automatically updates from the host server should updates be posted. Security and data encryption will be provided by mutually authenticated SSL between the vending terminal and the server.
- The solution should have the capability to provide pre-paid vending services over the internet/intranet. Customers should be able (should Nkomazi Local Municipality wish to activate these options) to purchase prepaid Electricity either via the Internet or a cell phone as follows:
- A registered service on the web where the customer registers for the service. This includes providing the required financial information and then simply authenticating on every transaction. Nkomazi Local Municipality's vending and credit management rules must still be applicable and transactions must be made against Nkomazi Local Municipality local vending system not an offline copy.
- The system should cater for integration to vending mechanisms such as automatic cash handling machines, self-service terminals and other third-party vending networks by providing an API specification to the alternate provider. The tenderer shall assist with integration testing.
- The solution shall be able to function on low-bandwidth requirement between remote vending points (credit dispensing units) and the central prepaid system (system master station) and optimized to run over networks (such as GPRS), with the maximum packet size being minimal and clearly indicated. GPRS/WIFI/ADSL/DIGINET connection points should be created on the Nkomazi Local Municipal infrastructure to directly serve transactions on this type of networks.
- The vending system shall cater for integration with the systems / applications in use. Nkomazi Local Municipality uses Munsoft as the financial system. The nature of the integration catered for must include periodic bulk export / import of arrears balances / collections to / from the billing system.
- The service provider must indicate their approach to the requirements of mSCOA with respect to data exchange between systems.
- The system must cater for storage of all information to comply with financial services regulations (e.g. the storage of all sales/vending transactions).
- The vending system will provide a web-based interface to allow for management functionality and reporting over the Nkomazi Local Municipal Intranet and internet. Connections will be secured by mutually authenticated SSL between the management terminals and the web server.

- The standard Microsoft Internet Explorer will be used for this. The system must ensure that the program supports the latest version of Microsoft Internet Explorer and always keep up with updates by Microsoft. The currently deployed version of Microsoft Internet Explorer is IE8.
- Tamper monitoring and specific technologies to effect notifications in this regard should be catered for in the solution.

5.2.5 SYSTEM / OPERATION REQUIREMENTS

5.2.5.1 GENERAL

- The administrator(s) must have the option to link directly into the server from their offices for e.g. management, reports, etc. Maintenance staff must have the option to link into the system over a 3G data connection from remote locations to perform customer maintenance functions.
- All licenses required must be clearly defined and a list provided with license cost. All limitations must clearly be indicated.
- All current data on the current vending systems used by the municipality must be catered for on the supposed vending system. The last 3 years data must be migrated into the supposed vending system from the current vending system.

5.2.5.2 ACCESS

- It must be possible to allocate access rights into the system into users and user groups. Access rights allocations shall be transferred during the data migration process and distributed throughout the system. The vending system must allow for activation of password ageing functionality. If this function is activated, the password of the particular user shall expire after a definable amount of time. Early password expiry warnings must be available. In addition, a concurrent log-in limit for log-in attempts is also required. User IDs not used or disabled permanently must not be able to be removed from transaction history data. A full audit trail on user IDs and movement must be kept. Access rights must be configured by Nkomazi Local Municipality.

5.2.5.3 ARREARS

- The vending system offered by tenderer shall make it possible for the municipality to deduct arrears from moneys tendered by consumers to purchase pre-paid electricity and / or electricity. The vending system must be able to define within the applicable arrears scheme and/or credit control policy of the municipality different arrears recovery categories/indexes.

- Within each category/index, the system shall allow for various recovery alternatives. This must be included and enforced in all Electricity dispensing strategies and/or systems, inclusive of third-party vending systems.
- The system shall allow for at least:
 - Fixed percentage of transaction recovery
 - Availability charge recovery on a monthly or daily basis
 - Full arrear payment recovery
 - Partial or percentage-based arrear recovery and limited sales

5.2.5.4 BLOCKING

- The vending system offered by the tenderer will allow for profiled blocking of purchases by customers based on arrears balances in specific account types. Blocking will be configurable by account type and will allow for either no sales or limited monthly sales to customers with arrears balances.
- Customers with shared service accounts will all be unblocked simultaneously when any one blocked account is paid in full.

5.2.5.5 mSCOA

- The service provider must indicate their approach to the requirements of mSCOA with respect to data exchange between systems.
- The service provider must provide proof of at least one on-line integration with a billing system where arrears balances are updated, and transactions are posted to the billing system real-time.

5.2.5.6 ENGINEERING

- The system must make provision for the generation of all STS engineering vouchers directly from the management terminal and these vouchers can be printed, viewed (without printing) or sent via SMS.
- An Android smart phone-based Engineering application must be provided. The application must allow for issuing of engineering tokens and for field meter replacements with an audit trail including GPS coordinates.

5.2.5.7 FREE ISSUES / REPLACEMENT TOKENS

- The vending system should allow the issuing of vouchers free of charge with the requirement to add reasons and free text notes to each issue.

5.2.5.8 KEY MANAGEMENT

- The vending system must support the upload of key management files (KMF) into the system database to configure and connect encryption devices, for STS encryption algorithms. This can be used to load details of new area keys into the encryption device.

- STS certification is required, in the name of the bidding company, to a minimum of STS Edition2: IEC62055-41 Ed3, including Electricity and Electricity units and currency vending and Key Management and Engineering tokens, conforming to a minimum of Edition 1.9 of the STS standards. Security modules in use must be the Prism STS-6 type module.

5.2.5.9 VENDOR CREDIT MANAGEMENT

- The vending system should allow a limit for the amount of credit that any individual terminal or group of terminals in the system can issue without re-authorization. This amount can be defined per terminal.
- The credit update of a terminal must be done by a supervisor (or another user with appropriate access rights) updating the credit limit via the management interface. All updates will be recorded; the records will include the previous credit balance and the user identity, the date and time of the update and a reference field with free text entry. The update will automatically print for audit purposes.
- Electricity token limits will be set at terminal group level. These limits may be exceeded by operators with the input of a password to confirm the transaction value.

5.2.5.10 MESSAGES

- The vending system should allow the utility to define voucher messages that are printed at the bottom of the printed voucher. The municipality must have the option to change the messages according to requirements.

5.2.5.11 REGISTRATION

- The vending system must be able to track any historical connections between the meter, point of connection and the consumer.

5.2.5.12 VENDING

- Vending to a consumer shall only be possible when a point of connection and meter are linked to the consumer and a tariff has been selected. The customer must still be able to do payments although blocked for pre-paid Electricity sales.
- Should the information on the database differs from the information on the meter card, no token must be generated.
- Free Basic Electricity must be issued to identified indigents based on the Municipalities Indigent policy. The indigent register is updated monthly and the system must accommodate these updates monthly or as requested.
- Free Basic Electricity tokens must be SMS'ed to those indigents that have registered mobile numbers immediately the new register becomes available. The tokens must also be available to the Indigent customers at all points of sale on request. Additionally, a USSD based service request must be available for the customers to request their tokens from their mobile phones.

5.2.5.13 SEARCH AND FILTER

- The vending system should support full search for the following items in registration:
- Consumer surname, first names, ID number, postal address details, comments, blocking codes, account number, point of connection, meter serial number.
- All of these searches can be incremental searches or full word searches. Once the search criteria are entered, the system must display the first record matching the search condition or the closest field at any one time for the search.

5.2.5.14 REPORTS

- The vending system should support a set of standard reports and the capability to customize and / or create new Reports. The tenderer undertakes to add or alter reports according to the needs of the Municipality for at least the first six months free of charge.
- Printer selection and formatting according to operating system availability must be supported. Exporting of all reports to at least Excel or PDF must be supported.
- It should be noted that a Month Management Report is a mandatory requirement and samples of this must be submitted with the tender.
- The standard reports required should include:

5.2.5.14.1 Standard operator reports

- Operator actions between dates grouped by date
- List of all users registered on the system
- List of all the user's groups and their functions
- List of all the groups and their respective functions

5.2.5.14.2 Standard consumer reports

- Number of consumers registered by town between dates
- List of POC'S grouped by system area code
- List of all STS meters registered on the system
- List of towns registered on the system
- List of disconnected meters by POC between dates
- List of disconnected meters by disconnect reason between dates
- Consumer information for POC'S
- Total new connections per town
- Total installed meters per town
- Meter replacements per town
- All consumers in alphabetic order

5.2.5.14.3 Standard transaction reports

- List of transactions grouped by date between dates
- Sum of transactions grouped by transaction type and tariff

- List of credit and debit card transactions between dates
- Total Electricity bought between dates by consumer
- Free issues between dates per meter
- Cheque List between dates
- Low purchases of Electricity over a specified period
- Total Electricity bought in the last 30 and 90 days
- Breakdown of consumer's purchase times between dates
- Balancing report of credit amounts used against physical transactions
- Reversals between dates
- Summary of all end of shifts for a user between dates
- All transactions for a meter between custom dates
- Arrears owed by consumer
- Daily cash reconciliation report
- All transactions for a account between dates
- Low consumption report
- Indigent high purchase report
- Total sales by town
- Total sales by operator
- All transactions for one shift on one user
- Shift details for one user
- IBT customer purchase breakdown with graph
- IBT month sales analysis by Tariff Class

5.2.5.14.3 Engineering Reports

- Current power limit for a meter
- Current power limit for all meters
- Audit trail on Amperage changes
- Reports in the vending system must be able to be previewed before printing.

5.2.5.15 SOFTWARE

- The vending system should be able to use/support the Windows 10, or earlier software/operating systems

5.2.5.16 TARIFFS

- The vending system must support the use of vending based tariffs. The system must cater for pre-defined tariffs by date to be created in advance. Tariff structure of current vending systems must be accommodated.
- Meter Tariff Index and Customer Tariff Class must not be linked in the system in order to avoid key changes when tariffs are changed, for instance from an Indigent to Domestic tariff

5.2.5.16 BLOCK TARIFFS

- A block tariff module or stepped tariffs must be able to be defined.

5.2.5.17 VAT

- The vending system shall support the use of vending based VAT where the VAT is calculated at the time of vending.

5.2.5.17 SECURITY

- The vending system interconnections shall be secured with mutually authenticated SSL certificates. The tenderer must describe the process of issue and management of these certificates.
- Passwords must meet the Auditor General's requirements in terms of complexity and expiry. An optional One Time Pin for system administrators must be provided for.

5.2.5.18 ACCOUNT PAYMENTS

- In vending, it should be possible to pay off arrears amounts or portions thereof separately from the purchase of actual Electricity.
- The solution shall also allow for debtor payments and sundry payments if and when required by Nkomazi Local Municipality. This functionality will allow and provide the municipality the capability of collecting account payments, arrear amounts as well as sell pre-paid services.
- The business rules of the municipality will apply at all times. Current account amounts, arrear amounts, linked account amounts and blocking codes will be transferred from the financial system to the vending system.
- The system must make provision for capturing of debit– and credit cards payments and cancellation of payments (not tokens). Cancellation options must be linked to access rights.
- **NOTE:** The debit card and credit card options must be configurable for each workstation.
- The system must work in such a manner that the pre-paid Electricity sales as well as the account payment amount be deducted from the credit amount on the dispensing unit.
- The system must make provision for account payments on conventional meter accounts and rates accounts.
- The cashier must be warned before a transaction is finally accepted.
- The system must allow the cashier different search options but at least the following:
 - Swipe meter card
 - Manually key in meter number
 - Manually key in billing account number

5.2.5.19 VENDING AMOUNTS

- For each workstation in a vending system, a list of predefined typical purchase amounts must be able to be setup individually.

5.2.5.20 THIRD PARTY VENDING

- The service provider must be integrated with third party vending providers in order to provision the Municipality with a broad-based third-party footprint to sell prepaid Electricity locally and nationally.
- The footprint must include retail chain stores, banks, petrol stations web-based sales using credit card and/or EFT, and non-retail vendors. The service provider must indicate the process and cost, if any, of deploying additional footprint with non-retail (informal) vendors to areas where there is deemed to be insufficient coverage.
- The service provider should indicate the policy and process that they use to deal with non-retail (informal) vendors that are over-charging customers.
- The service provider must describe in detail their remittance process where monies collected are paid across to the municipality. This must include payment schedules and administration requirements.
- A list of vending sites or proposed vending sites, retail stores and banks that will be made available must be provided. Only one level of aggregation is allowed; no sub-aggregators shall be enabled in order to control the vending footprint effectively.
- Please note: the municipality will not allow voucher-based vending to its customers.
- A supporting letter from the aggregator(s) is required.

5.3.0 TECHNICAL REQUIREMENTS

3.0.1 Workforce Management Tool

- The Tenderer will provide an Android based audit application downloadable from the Google Play Store, which utilises a phone GPS and camera to record audit data, as well as referencing back to the vending system to validate customer and address details.
- Data such as last purchase dates and averages shall be presented to the auditor in order for them to make informed decisions while they are carrying out the audit. The application must allow for job card functionality and the scheduling of audits and routes. The application must allow for online meter replacements and TID updates and for basic engineering tokens to be made, according to the user profile.
- The application must also allow for offline audit operations as these are data intensive and must be synchronised when the user is in a Wi-Fi zone.
- Audits must be reported on and reviewed from a web portal which shows the audit activity on a map and is able to present the GIS data to the municipality for updating their GIS system data. Further to this, the spatial data must be made available to be incorporated in the mainstream Vending solution once the audits have been completed.
- The audit process must include data cleansing, with updates for account numbers and customer data as a minimum. Any fines or charges to be levied to the customer for tampering must be automatically calculated or must be recorded for approval and implementation at a later stage.
- The Management Portal must store all audit evidence and must be easily accessible by the municipality's management team. Such audit evidence must include the audit findings, photos, and vending profiles. The audit evidence shall be exported into both excel and pdf formats.

3.0.2 OUTPUT REQUIREMENTS

- ❖ A minimum of the following output and outcomes are required.
 - A full data clean-up and mapping of all audited meters and customers in the field to the pre-payment and financial database of the municipality.
 - Detailed GIS data indicating all findings in the field, Meter types, and customers not at home and other additional key information will be required. The GIS field information forms part of the management console required for sustainable management.
 - Detailed progress reports must be presented, coupled with feedback/monitoring reports on a weekly/monthly basis.

4.0.1 AUDIT PROCESS REQUIREMENTS

- Below find a detailed schedule of the work functions required by the municipality.

4.0.2 SWEEP AUDIT PLUS TID ROLLOVER SERVICE

- Full technical audit of an entire area's meters supervised by a licensed wireman including removing the meters and checking the installation.
- Upstream load testing (of for example geysers / stoves on under "no meter load" conditions).
- Recording of mandatory information related to each endpoint (linked to a spatial GPS coordinate).
- Capturing high quality photo of installation and "front of house" to confirm addresses.
- Sealing of the meters with municipality approved seals.
- Performing the TID update if the meter is identified as a KRN 1 meter. See TID Rollover for details required in this process.
- Importing the information into a central repository.

4.0.3 TARGETED AUDIT PLUS TID ROLLOVER SERVICE

- Full technical audit of specific statistically identified potential tamper / bypass prepaid meters supervised by a licensed wireman. Including removing the meters and checking the installation.
- Upstream load testing (of for example geysers / stoves under "no meter load" conditions).
- Recording of mandatory information related to each endpoint (linked to a spatial GPS coordinate).
- Capturing high quality photo of installation and "front of house" to confirm addresses.
- Sealing of the meters with municipality approved seals.
- Performing the TID update if the meter is identified as a KRN 1 meter. See TID Rollover for details required in this process.
- Importing the information into a central repository.

4.0.4 REMEDIAL ACTIONS

- Technical remedial meter disconnections of identified tamper/ bypassed prepaid meters carried out by a suitably qualified technician.
- Technical remedial actions to remove tamper / bypass of identified tamper / bypassed prepaid meters carried out by a suitably qualified technician.
- Recording important information related to each action.
- Capturing photo of installation and importing the information into a central repository.

4.0.5 TID ROLLOVER

- Using the Management Tool, online identification of meters requiring updates.
- Confirmation sign-off that there are no tokens outstanding by the customer.
- Re-entry of the last five tokens purchased by the technician.
- Perform the TID update with a key change token and enter a 0.1kWh test token
- Automatic on-line update of the vending system meter record when the TID process has been completed.
- Import the information into a central repository.

5.0.1 DATA OWNERSHIP

- All the information on consumers and related info in the databases will remain the
- property of the municipality at all times and will not be disclosed as a whole or in part
- to any third party without the express permission of the municipality. Any data archived and warehoused on behalf of the municipality shall be accessible at any time by the municipality or its appointed auditor.

6.0.1 COST METHODOLOGY

The method of payment will be per successfully completed audit, TID update or remedial action and separate rates will apply for:

- Sweep Audit
- Sweep Audit with TID
- Targeted Audit
- Targeted Audit with TID
- Targeted TID

7.0.1 IMPLEMENTATION AND COMMISSIONING

- The tenderer shall be responsible for the conversion of current Nkomazi Local Municipal system data, static as well as historical transaction as well as all meter related data to the new system of which the cost must be included in the proposal.

8.0.1 SYSTEM CHANGES AND ENHANCEMENTS

- The tenderer shall indicate corporate policy requirements on system enhancements and changes, including mSCOA compliance and the upcoming key rollover.

9.0.1 REVENUE PROTECTION

- The Tenderer will provide an Android based audit application downloadable from the Google Play Store, which utilises the phone GPS and camera to record audit data, as well as referencing back to the vending system in order to validate customer and address details.
- Data such as last purchase dates and averages shall be presented to the auditor in order for them to make informed decisions while they are carrying out the audit. The application allows for job card functionality, scheduling of audits and routes.
- As well as recording audit data, the application must allow for meter replacements and for basic engineering tokens to be made, according to the user profile.
- The application must also allow for offline audit operations as these are data intensive and must be synchronised when the user is in a Wi-Fi zone.
- Audits must be reported on and reviewed from a web portal which shows the audit activity on a map and is able to present the GIS data to the municipality for loading to their GIS systems.
- Further to this, the spatial data must be made available to be incorporated in the mainstream Vending solution once the audits have been completed.
- The audit process must include data cleansing, with updates for account numbers and customer data as a minimum. Any fines or charges to be levied to the customer for tampering must be automatically calculated or must be recorded for approval and implementation at a later stage.
- The tenderer must provide for revenue protection services including the TID rollover in their proposal.

10.0.1 SYSTEM SITE VISIT/DEMONSTRATION

Nkomazi Local Municipality retains the right to request a full system demonstration and/or site visit. The tenderer undertakes to arrange as such. A full list of current system users with contact details should be supplied by the tenderer.

The municipality reserves the right to contact any of these users and the tenderer undertakes to arrange a site visit to any user(s) as indicated by the Municipality within a specified timeframe as agreed on.

11.0.1 CUSTOMER REFERENCES

The tenderer must supply at least three reference letters from other Municipalities confirming that the tenderer provides them with prepayment hosted online-vending services, third party vending via a broad-based footprint and also arrears collection via data exchange with the Municipality billing system. The letter must confirm the period that the tenderer has been providing the service to the Municipality.

Nkomazi Local Municipality may wish to contact one or more of the tenderer's reference clients during the tender evaluation period. Please provide contact names and details of the individuals who should be contacted in this regard.

Contact with reference clients will be arranged through the tenderer, but Nkomazi Local Municipality reserves the right to conduct these information sharing sessions without representatives from the tenderer being present.

Live or real time updates for bill payments and arrears collections –dependent on Billing System (if the provider can connect real time) should be offered and proof in the form of a letter from the Municipality should be provided.

12.0.1 COMPLIANCE SCHEDULE

No.	Question	Yes / No	Comments
1	Does the system comply with all the STS specifications as listed in the tender? STS certificate to be supplied in the name of the tenderer. Is the system certified for Electricity and Electricity vending?		
2	Does the system allow for configuration by the municipality for various system requirements?		
3	Is a list of system limitations attached?		
4	Is a full, detailed functionality description of the system attached?		
5	Is there a detailed strategy for the upcoming TID rollover included with an indication of cost to the Municipality?		
6	Is a detailed graphical drawing of the proposed network and system attached?		
7	Is a detailed disaster recovery plan attached?		
8	Is a comprehensive 3rd Party payment remittance process attached?		

9	Are different servers utilized for the different applications e.g. transaction server, management server, etc.?		
10	Is this a single database solution with no data transfer or replication required?		
11	Does the system have the capability to provide pre-paid services to Electricity and Electricity customers using a single interface? Does a single Customer record have the ability to link to multiple meter account types?		
12	Does the system integrate to other vending mechanics such as automatic cash handling machines, self-service terminals and other third-party options using Eskom XMLVend as an interface language?		
13	Is the system native XML or does it require a translation interface for XML based vending?		
15	Does the system allow for convenience charges to be charged at specific vending outlets over specific periods?		
16	Does the system provide for integration to the other systems in use at the municipality through the following options: periodic bulk export/import/registration of data/meter to and from other business systems, on-line real-time per transaction synchronization of data? Have the requirements of mSCOA been addressed in the offer?		
17	Does the system comply with financial services regulations regarding storage of data?		
18	Does the system provide WEB integration for management functionality and reporting? Specify what standard will be used.		
19	Can the administrators log into the servers directly from their offices? Can admins log in remotely over the internet?		
20	Is a list of license requirements with limitations attached?		
21	Does the system provide for smart metering?		
22	Does the system provide for access rights into the system for users and groups?		
23	Does the system provide for user ID disabled or removed to remain in history transaction data?		
25	Does the system provide for arrear recovery in line with the credit control policy of the municipality?		
26	Does the system provide for at least the following arrear recovery alternatives: fixed percentage of transaction recovery; service based recovery; full arrear payment recovery; partial arrear payment recovery with limited Electricity & Electricity sales?		
27	Does the system provide for "free issues" (EBSST token) to be SMS'd to specific customers?		
28	Does the system allow a "free issue" (EBSST token) to indigents without having to purchase Electricity & Electricity or pay arrear amounts even if system is set to full arrear recovery?		

29	Does the system print “duplicate invoice” or “copy invoice” on a receipt if the “free issues” (EBSST token) is requested more than once in a calendar month?		
30	Does the system allow the generation of all engineering tokens directly from the system master station?		
31	Does the system allow all engineering tokens to be either printed, viewed without printing or sent through SMS?		
32	Does the system support all the different types of engineering vouchers as specified in the tender?		
33	Does the system provide for up-front vending?		
34	Can the abovementioned amount be defined per workstation?		
35	Does the system provide for messages at the bottom of the token voucher which can be changed by the municipality according to the municipality’s requirements?		
36	Does the system keep all historical connections between the meter, point of connection and the customer?		
37	Does the system allow vending when a point of connection, meter or tariff is not linked to a customer?		
38	Does the system allow payment of accounts although a blocking code is active that does not allow the customer to purchase pre-paid Electricity & Electricity tokens?		
39	Does the system provide for at least the standard reports as stipulated in the tender?		
40	Does the system allow for preview of reports before printing?		
41	Is a statistical Monthly Management Report available? Is a sample provided?		
42	Does the system support the use of vending-based tariffs?		
43	Does the system provide for pre-defined tariffs by date to be created in advance?		
44	Does the system accommodate the current vending structures of the municipality?		
45	Does the system support IBT (stepped tariffs)?		
46	Does the system support vending-based VAT that is calculated at time of vending?		
47	Does the system provide for batch numbers to follow sequentially and print a breakdown of all money received separately?		
48	Does the system provide for the payment of arrear amounts, current amounts or linked account separately from purchasing pre-paid Electricity & Electricity tokens?		
49	Does the system provide for the cashier to enter the full amount from which the arrear amount will automatically be deducted, and the remainder of the money will then automatically be allocated towards pre-paid Electricity & Electricity sales?		
50	Does the system make provision to warn the cashier before finalizing any transaction?		

51	Does the system provide for integration of historical data?		
52	Is a list of current system users with full contact details supplied?		
53	Was an assessment of current infrastructure done and an optimum solution recommendation attached?		
54	Is the system TCP/IP compliant and be able to operate real-time over Ethernet on a LAN/WAN/WIFI/GPRS/3G/EDGE/HSDPA/ADSL/DIGINET environment as available in certain areas?		
55	Does the system support vending stations run on at least Windows XP?		
56	Are all communications between client and server secured by mutually authenticated SSL certificates?		
57	Is provision made for periodic data synchronization with an off-line database in the municipal environment?		
58	Does the system support the latest version of the standard Microsoft Internet Explorer and always keep up with updates by Microsoft?		
59	Does the system function under low-bandwidth requirements with minimum packet size? Please specify the bandwidth.		
60	Does the system cater for a Monthly indigent update from file		
61	Is there an aggregator support letter attached?		
62	Is a policy regarding overcharging by vendors included		
63	Is an ISO 9001-2015 certificate provided in the name of the bidder?		
64	Are there at least 3 options to allow the municipality to choose from with regards TID updates with regards using contractors, municipal staff or a self-service option.		
65	Is a broad-based third-party vending footprint provided to municipalities including major retail, major banks, informal sector and web vendors?		

DATA MANAGEMENT AND REVENUE PROTECTION				
1.	The tenderer must have a track record of at least two (2) years' experience for revenue protection field services in a municipal environment and may be required to demonstrate their solution and need to provide proof of the infield tools used for these services.	YES		NO
2.	The tenderer must have provided similar services to at least 3 other municipalities (proof must be provided).	YES		NO
3.	SARPA registration must be provided.	YES		NO

13.0.1 Technical Evaluation Criteria

❖ Phase 1 – Technical Gatekeeper

Tenderers must comply to all points in order to proceed to phase 2

Item	Description	Comply	
		Yes	No
1	Standard Transfer Specification (STS) Certification to Edition 2, IEC62055-41 Ed3, STS600-8-6, including Electricity and Electricity Units and Currency Vending, and Key Management and Engineering tokens in the name of the bidding company. Certificate to be provided.		
2	ISO Certification to 9001-2015 in the name of the bidding company. Certificate to be provided.		
3	Confirmation letters from three municipalities that the TID update programme is under way		
4	Proof of XMLVend Based integration into at least one aggregator. At least one confirmation letter is required.		
5	Mobile engineering application for field staff		

Non-compliance with any single point above will result in exclusion of the bid going forward.

❖ Phase 2 – Bid Evaluation

Tenderers must score a minimum of 80 points.

Item	Description	Value		Score
1	Single interface, integrated multi-utility system, vending Electricity and Electricity from a single interface. A demonstration of this may be requested.	15	Full description and STS approval	15
			No description and/or STS approval	0
2	Broad based third-party vending footprint provided to municipalities including retail, banks, informal sector and web vendors** (Confirmation letter of all channels offered must be provided by channel partner or primary aggregator)	15	5 years or more	15
			2 years or less	5
			No experience	0
3	Hosted on-line vending provided to municipalities	10	5 years or more	10
			2 years or less	5
			No experience	0
4	Disaster recovery and business continuity plan	10	Plan included	10
			No plan	0
5	Provision for an off-line database snapshot hosted at the municipality	5	Provision	5
			No provision	0
6	Letters from municipalities confirming third party vending and arrears collection. At least one to be Live or real time updates for bill payments and arrears collections – dependent on Billing System (if the provider can connect real time)	15	3 letters	15
			2 letters	10
			1 letter	5
		10	Plan and letter included	10

7	Detailed mSCOA implementation approach included, one letter confirming on-line integration		No plan and/or letter	0	
8	Overview of approach to the STS TID key rollover	10	Plan included	10	
			No plan	0	
9	Funded model for STS TID update and revenue enhancement for the Municipality	10	TID & Revenue Enhancement	10	
			TID only	5	
			No funding	0	

**Please see below reference list of retail, banks & web vendors to have for full marks point 2. Note that the full list below must be provisioned.

Banks	Corporate Stores	online
ABSA	Pick n Pay	prepaid24.co.za
FNB	Shoprite	
Standard Bank	Spar	
Capitec	Kaap Agri	
Nedbank		
Investec Bank		
Old Mutual		

14.0.1 Technical Bid Evaluation cont.

❖ Phase 3 – Technical Demonstration

❖ Tenderers must score a minimum of 80 points

Item	Description	Maximum Points
1	Vending Cycle Demonstration of a typical online vending cycle. Points will be awarded for clarity and ease of use as follows: • Clear/ concise/ easy to use: 20 points • Complicated/ difficult to use 10 points • Failed: 0 points	20
2	TID Rollover (Key change Process) Demonstrate proposed Key Change/TID Rollover process. Points awarded for clarity and ease of use as follows: • Clear/ concise/ easy to use: 25 points • Complicated/ difficult to use 10 points • Failed 0 points	25
3	Customer Management Demonstration of Customer Management functionality including adding customers, properties, contracts etc. Points awarded for clarity and ease of use as follows: • Clear/ concise/ easy to use: 15 points • Complicated/ difficult to use 5 points • Failed: 0 points	15
4	Meter Management Demonstration of meter management functionality. Points awarded for clarity and ease of use as follows: • Clear/ concise/ easy to use 10 points • Complicated 5 points • Failed 0 points	10
5	Financial System Integration Demonstration of the system integration with a Financial Management System preferably Sage. Points will be awarded as follows: • Integration with Sage: 15 points • Integration with other Systems: 5 points Additional points awarded as follows: • Clear/ concise/easy to use 15 points • Complicated/ difficult to use: 5 points • Failed 0 points	15 15

CERTIFICATE OF AUTHORITY FOR SIGNATURE

3.1. SUPPLIERS / CONTRACTORS

3.1.1. "Certificate of authority to sign all documents in connection with this tender and any contract or agreement which may arise there from", duly signed and dated, shall be provided by the Board of Directors of the firm and shall be attached to this page. An example is given below.

3.2. JOINT VENTURE

3.2.1. The document of formation of the Joint Venture shall be attached to this page.

3.2.2. A "certificate of authority to sign all documents in connection with this tender and any contract or agreement which may arise there from", duly signed and dated, shall be provided by the Boards of Directors of each member of the Joint Venture and shall be attached to this page.

EXAMPLE OF A CERTIFICATE OF AUTHORITY FOR SIGNATORY

"By resolution of the board of directors passed at a meeting held on

Mr. /Ms..... whose signature appears below, has been duly authorized

to sign all documents in connection with the tender for Contract no.....

and any contract which may arise there from on behalf of (block capitals).....

SIGNED ON BEHALF OF THE COMPANY.....

IN HIS/HER CAPACITY AS:

DATE:

SIGNATURE OF SIGNATORY:

WITNESS: 1:.....

2:.....

1. No bid will be accepted from persons in the service of the state:
2. Any person or having kinship with a person in the service of state, or persons who act on behalf of Nkomazi Local Municipality, including a blood relationship, may make an offer or offers in terms of this bid invitation. In view of possible allegations of favouritism or bias, should the resulting bid, or part thereof, be awarded to persons employed by State, or to persons who act on behalf of Nkomazi Local Municipality, or to persons connected with or related to them, it is required that the bidder or his authorised representative shall declare any interest of whatever nature and/or relationship (including blood relationship) to any employees, or persons who act on behalf of, or persons connected with or related to Nkomazi Local Municipality.
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 the bidder or his representative:

3.2. Identify Number:

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

.....

3.4. Company Reference Number:

3.5. Tax Reference Number:

3.6. VAT Registration Number:

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

3.8. Are you presently in the service of the state?

YES/NO

3.8.1 If yes, furnish particulars:

.....

❖ 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

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

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

YES/NO

If yes, furnish particulars:

.....

3.10. Do you, have any relationship (family, friend, other) with a person employed by state/Nkomazi Local municipality, who may be involved in the evaluation and adjudication of this bid?

*YES / NO

3.10.1 If yes, furnish particulars:

.....

.....

3.11. Are you, aware of any relationship (family, friend, other) between the bidder and any person employed by state/Nkomazi Local Municipality, who may be involved in the evaluation and adjudication of this bid?

*YES / NO

3.11.1 If yes, furnish particulars:

.....

.....

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

YES/NO

3.12.1 If yes, furnish particulars.

.....

.....

3.13. Are any spouses, child or parent of the company's directors trustees, managers, principle shareholders or stakeholders in service of state?

YES/NO

13.13.1 If yes, furnish particulars.

.....

13.14 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

13.14.1 If yes, furnish particulars.

.....

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

Full Name	Position filled in the “State”	ID number	State number	employee

.....
 Signature

.....
 Bid Number

.....
 Date

.....
 Capacity

.....
 Name of the Company

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

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

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

YES/NO

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

.....
.....

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

YES/NO

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

2.2 If yes, provide particulars.

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

* Delete if not applicable

3 Has any contract been awarded to you by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract?

YES/NO

3.1 If yes, furnish particulars

.....
.....

4. Will any portion of goods or services be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality / municipal entity is expected to be transferred out of the Republic? YES / NO

4.1 If yes, furnish particulars

.....

CERTIFICATION

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

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

Signature Date

- Table 1: Specific goals for the tender and points claimed are indicated per the table below.
- (Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.
- Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)

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 systems are applicable to invitations to tender:

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

1.2 To

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

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

The maximum points for this tender are allocated as follows:

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

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

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

- **80/20 preference points system is for tenders for income-generating contracts with Rand value equal to or below R50 million.**
- 3.1 The following formula must be used to calculate the points for price in respect of an invitation for tender for income-generating contracts, with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

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

Where-

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

3.1.1 A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender.

3.1.2 The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

3.1.3 Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

3.2 90/10 preference point system is for tenders for income-generating contracts with Rand value above R50 million

3.2.1 The following formula must be used to calculate the points for price in respect of a tender for income-generating contracts, with a Rand value above R50 million inclusive of all applicable taxes:

$$P_s = 90 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right)$$

Where-

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

3.2.2 A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender.

3.2.3 The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

3.2.4 Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

- Table 1: Specific goals for the tender and points claimed are indicated per the table below.
- (Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.
- Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)

POINTS FOR CONTRACTING AN ENTERPRISE OWNED BY HISTORICALLY DISADVANTAGED PERSONS OR INDIVIDUALS		
A total of 10 preference points shall be allocated on a proportional or pro rata basis for contracting an enterprise owned by historically disadvantaged persons or individuals who meet the following requirements -		
HISTORICALLY DISADVANTAGED PERSONS OR INDIVIDUALS	POINTS ALLOCATION	SOURCE DOCUMENTS REQUIRED TO CLAIM POINTS
100% black person or people owned enterprise	2,5	A copy of a Full CSD report not older than 3 months
More than 30% woman or women shareholding or owned enterprise	2,5	
more than 30% youth shareholding or owned enterprise	2,5	
More than 30% people living with disability shareholding or owned enterprise	2,5	A copy of a Medical Certificate to confirm disability
POINTS FOR IMPLEMENTING OF RDP PROGRAMMES		
A total of 10 preference points shall be allocated on a proportional or pro rata basis for implementing of programmes for RDP -		
Enterprises regarded as *EMEs located within the Nkomazi Local Municipality area of jurisdiction	5	➤ A copy of a Full CSD report not older than 3 months NB: Points will only be awarded if the CSD physical address is the same as the address for the proof of residence required in 1.9 above.
5 points for valid B-BBEE level 1 contribution (SANAS accredited B-BBEE certificate for generic enterprise, and for EME and SME a sworn affidavit or CIPC issued certificate confirming annual turnover and level of Black Ownership).	5	➤ Certified Valid BBBEE certificate ➤ or Certified Valid EME and SME a sworn affidavit ➤ or Certified Valid CIPC issued certificate confirming annual turnover and level of Black Ownership
TOTAL PREFERENCE POINTS TO BE CLAIMED	20	

1. Name of firm:
1. Postal address.....
3. Physical address:
4. Telephone:
5. Fax no.:
6. E-mail.:
7. Contact person:
8. Enterprise/ company Income Tax no.:
(Insert personal income tax number if a one-person business and personal income tax numbers of partners, if a partnership)
9. VAT registration no:
10. Tax clearance certificate attached (must be an original document & valid on the closing of the tender)
11. Bank account number and bank where account is held:
.....
12. Proof of payment of municipal services attached (or a letter from your local Municipality which exempt you/company from payment of services)
13. Corporate entity registration no.....
14. Type of enterprise.....
(e.g. partnership, company, cc, one person business etc.)
(Certified copy of enterprise certificate)
15. Country of registration or incorporation.....
16. Manner of participation:
(e.g. main contractor, supplier, professional service provider, joint venture, consortium etc.)
17. Business Sector.....
18. Total number of employees:
Full time.....
Part time:

Did your firm exist under a previous name?

☐ Yes

☐ No

If yes, what was its previous name?

Who were the owners/partners/directors?

20. List all the partners, proprietors and shareholders by name, identity number, citizenship and shareholding:

Name	ID number	Citizen-Ship	Date of Ownership	% Holding/Ownership	Share-

Note: Where owners are themselves a corporate entity or partnership, please identify such.

21. List the major items of equipment, plant and vehicles owned by the firm or the owner, but utilised or to be utilise by the by the company (e.g Vehicles):

No.	Description	Number
1		
2		
3		
4		
5		
6		

22. Provide proof of organisational capability and practice profile to deliver the required supplies or services. (If insufficient space, the information may be provided as a separate annexure)

.....

.....

23. List the four largest contracts/assignments completed or in the process of being completed by your enterprise in years. (N.B.: Provide additional information on a separate paper if necessary)

Schedule of previous work carried out by Bidder

Scope of work/Nature of work carried out previously	Contracted by whom/Employer name, tel & fax	Contract fee amount/value of work	Year of Completion

The undersigned is duly authorised to do so on behalf of the bidder and affirms that the information furnished is true and correct.

Signature

Duly authorised to sign on behalf of

COMMISSIONER OF OATH

DATE

**CONTRACT FORM - RENDERING OF SERVICES
PART 2 (TO BE FILLED IN BY THE PURCHASER)**

MBD 7.1

CONTRACT FORM - PURCHASE OF GOODS/WORKS

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

PART 1 (TO BE FILLED IN BY THE BIDDER)

1. I hereby undertake to supply all or any of the goods and/or works described in the attached bidding documents to (name of institution)..... in accordance with the requirements and specifications stipulated in bid number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the purchaser during the validity period indicated and calculated from the closing time of bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Bidding documents, viz
 - Invitation to bid;
 - Tax clearance certificate;
 - Pricing schedule(s);
 - Technical Specification(s);
 - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
 - Declaration of interest;
 - Declaration of bidder's past SCM practices;
 - Certificate of Independent Bid Determination;
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the goods and/or works specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfilment of this contract.
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.

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

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM.....

DATE

WITNESSES

1

2.

DATE:

CONTRACT FORM - PURCHASE OF GOODS/WORKS

PART 2 (TO BE FILLED IN BY THE PURCHASER)

1. I..... in my capacity
as.....
accept your bid under reference numberdated.....for the supply
of goods/works indicated hereunder and/or further specified in the annexure(s).
2. An official order indicating delivery instructions is forthcoming.
3. I undertake to make payment for the goods/works delivered in accordance with the terms and
conditions of the contract, within 30 (thirty) days after receipt of an invoice accompanied by the
delivery note.

<i>ITEM NO.</i>	PRICE (ALL APPLICABLE TAXES INCLUDED)	BRAND	DELIVERY PERIOD	B-BBEE STATUS LEVEL OF CONTRIBUTION	MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)

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

SIGNED ATON.....

NAME (PRINT)

SIGNATURE

OFFICIAL STAMP



WITNESSES	
1.	
2.	
DATE	

CONTRACT FORM - RENDERING OF SERVICES

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

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

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

2. The following documents shall be deemed to form and be read and construed as part of this agreement:

- (i) Bidding documents, viz
 - Invitation to bid;
 - Tax clearance certificate;
 - Pricing schedule(s);
 - Filled in task directive/proposal;
 - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011; - Declaration of interest;
 - Declaration of Bidder's past SCM practices;
 - Certificate of Independent Bid Determination;

- Special Conditions of Contract;
- (ii) General Conditions of Contract; and
- (iii) Other (specify)

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

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

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

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

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

WITNESSES

1

2

DATE:

CONTRACT FORM - RENDERING OF SERVICES PART 2 (TO BE FILLED IN BY THE PURCHASER)

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

2. An official order indicating service delivery instructions is forthcoming.

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

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

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

SIGNED AT ON

NAME (PRINT)

SIGNATURE



OFFICIAL STAMP

WITNESSES

1

2

DATE:

1. I/We hereby bid to supply all or any of the supplies and/or to bid all or any of the services as described and required in the bid documentation to Nkomazi Local Municipality, on the terms and conditions and in accordance with the specifications as stipulated in the bid documentation (which bid documentation shall be taken as part of, and incorporated into, this bid) at the prices and delivery periods as required therein.
2. I/We agree that –
the offer herein contained shall remain binding on me/us and open for acceptance by Nkomazi Local Municipality during the validity period indicated in the bid documentation, which period shall be calculated from the closing time of the bid;
3. this bid and its acceptance shall be subject to the Standard Terms and Conditions of Bid [T 5] which are contained in this bid documentation and with which contents I am/we are fully acquainted with;
4. if I/we withdraw my/our bid within the validity period of the bid for which I/we have agreed that the bid shall remain open for acceptance, or fail to fulfil the contract when called upon to do so, Nkomazi Local Municipality may, without prejudice to any other remedies at its disposal, agree to the withdrawal or cancellation of the bid or contract that may have been entered into and I/we will then pay to Nkomazi Local Municipality any additional expense incurred by Nkomazi Local Municipality having to either accept any less favourable bid, or if fresh bids have to be invited, the additional expenditure incurred by the invitation of fresh bids and by the subsequent acceptance of any less favourable bid;
5. if my/our bid is accepted the acceptance may be communicated to me/us by letter by ordinary post or registered post and that the Post Office shall be regarded as my/our agent, and delivery of such acceptance to the Post Office shall be treated as a delivery to me/us;
6. The law of the Republic of South Africa shall govern the contract created by the acceptance of my/our bid and that I/we choose our *domicilium citandi et executandi* in the Republic at :

.....
7. I/We furthermore confirm that I/we have satisfied myself/ourselves as to the correctness and validity of my/our bid and that the prices and scope of work bided cover all my/our obligations in terms of the bid documentation and that I/we accept that any mistakes regarding prices or calculations will be at my/our risk.
8. I/We hereby accept full responsibility for the proper execution and due fulfilment of all obligations and conditions devolving on me/us under this contract as the principal bidder liable for the contract.
9. 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 judgment obtained against me/us as a result of such action.

Signature Tender/Bid no.....
Capacity

Duly authorised to sign on behalf of
.....

The Municipal Manager
Nkomazi Municipality
Private Bag X 101
Malalane
1320

Sir/Madam

CONTRACT NO: NKO:16/2023 Re-Advert Request for Service Provider to Provide a Multi-Utility Online Vending System Including Third -Party Vending, Tid and Revenue Enhancement for Nkomazi Local Municipality for three (3) year.

DATE OF PUBLICATION OF TENDERS	CLOSING DATE AND TIME FOR SUBMISSION OF TENDERS	THIS TENDER HOLDS GOOD FOR ACCEPTANCE UNTIL
28/08/2023	06/10/2023	90 days

- Having examined the documents for the execution of the above-mentioned Project as well as any addenda subsequently issued, I/we the undersigned offer to Multi-Utility Online Vending System Including Third -Party Vending, Tid and Revenue Enhancement for Nkomazi Local Municipality for three (3) year conformity with the above-said documents and addenda, for the sum of -

.....
.....

(R.....) * Excluding VAT

or such other sum as may be determined in accordance with the general conditions of contract and the tender rules applicable to this contract, as well as the conditions included in this form of tender.

- I/We acknowledge that all the certificates, schedules and forms included in this document for completion by the Tenderer have been fully completed by me/us and form part of my/our tender.
- I/We undertake to complete and deliver the whole of the Project comprised in this contract within 24 months including the holidays during December and January and any other specified non-working days, calculated from the commencement day of supervision.
- In the event of my/our not completing the whole of the works within the period tendered by me/us in paragraph 3 hereof, I/we agree to pay the Employer, as a penalty for such default, the sum stated in the Appendix to Tender for each calendar day or part thereof in excess of my/our tendered time for completion and the Employer may, without prejudice to any other method of recovery, deduct such sum monthly from any monies due or to become due to me/us.
- If my/our tender is accepted, I/we undertake -

To sign the form of agreement included in this document within a period of twenty-one (21) days of receipt of written acceptance of my/our tender subject to the prior provision of the approved contract guarantee by me/us.

6. I/We agree to abide by this tender for a period of ninety (90) days from the closing date fixed for the submission of tenders, and it shall remain binding upon me/us and may be accepted at any time before expiry of that period.
7. Unless and until a formal agreement is prepared and executed, this tender, together with the written acceptance thereof, shall constitute a binding contract between us and shall be deemed for all purposes to be the contract agreement.
8. In the event of there being any arithmetical errors in the priced bill of quantities, I/we agree to their being corrected, the rates being taken as correct.
9. I/We understand that you are not bound to accept the lowest or any particular tender you may receive, and that you shall not defray any expenses incurred by me/us in tendering.
10. I/We agree and undertake to commence the abovementioned Project within seven (7) days from the date on which the Project has been handed over to me/us by a written instruction from the Employer.
11. I/We declare that, notwithstanding anything contained in a covering letter to this tender, this tender is submitted entirely without qualifications.
12. I/We choose *domicilium citandi et executandi* at -

.....
in the Republic of South Africa.

Yours faithfully

SIGNED ON BEHALF OF TENDERER

NAME OF SIGNATORY (IN CAPITALS):

SIGNED ON THIS THE DAY OF IN THE YEAR OF

ON BEHALF OF:

ADDRESS.....

TELEPHONE NUMBER

FAX NUMBER:

WITNESS 1:

NAME IN CAPITALS:

WITNESS 2:

NAME IN CAPITALS:

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	<i>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</i> <u>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</u> <u>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.</u>	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	Yes	No
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes ☐	No ☐
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes ☐	No ☐
4.7.1	If so, furnish particulars:		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

CERTIFICATE OF INDEPENDENT BID DETERMINATION

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

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

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

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

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

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

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

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 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

.....
Name of Bidder

SCHEDULE OF RATE	T10
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❖ **T10. 1: Re-Advert:Render Multi-Utility Online Vending System Including Third -Party Vending, Tid and Revenue Enhancement**

NB:

Prices to be based on monthly third-party Electricity of R3 000 000.00 which credit cards account for R and R cash, over the counter sales of R and an active meter base of 4437 connections.

Monthly number of FBE tokens for distribution –

A ONCE OFF: SYSTEM SETUP, IMPLEMENTATION AND TRAINING COST

ITEM	DESCRIPTION	FIXED PRICE (excl. VAT) FROM DATE OF APPOINTMENT TILL _____
1.1	SYSTEM SETUP COST	R
1.2	DATA MIGRATION COST	R
1.3	INTERFACE WITH PHOENIX (FINANCIAL SYSTEM)	R
1.3.1	FILE BASED INTEGRATION	R
1.3.2	WEB SERVICES BASED INTEGRATION	R
1.4	TRAINING COST PER 10 USERS	R
1.5	STS6 IMPLEMENTATION COST	R
1.6	Other	R
1.7		R
1.7.1		R
1.7.2		R
1.7.3		R
(A) TOTAL FIXED PRICE (excl. VAT)		R

B1 MONTHLY AND VARIABLE COST – YEAR 1

ITEMM	DESCRIPTION	QUANTITY FOR TWELVE MONTHS	UNIT PRICE/PERCENTAGE (EXCL VAT)	TOTAL BID PRICE (EXCL VAT YEAR 1 (12 MONTHS))
1	Management/Hosting Fees	12	R	R
2	Applicable License Fees	12	R	R
3	Data Communication Cost	12	R	R
4	Supervending Bank Credit Card Fees	12	R	R
5	Supervending Commission: 3 rd party vending sales	12	R	R

6	Supervending Commission: Bank Cash Deposits	12	R	R
7	Additional Fees (specify below)	12	R	R
7.1	SMS of FBE tokens		R	R
7.2	USSD delivery of FBE tokens		R	R
7.3				
TOTAL MONTHLY AND VARIABLE COST (EXCL VAT) YEAR 1				

B2 MONTHLY AND VARIABLE COST – YEAR 2

ITEMM	DESCRIPTION	QUANTITY FOR TWELVE MONTHS	UNIT PRICE/PERCENTAGE (EXCL VAT)	TOTAL BID PRICE (EXCL VAT YEAR 2 (12 MONTHS))
1	Management/Hosting Fees	12	R	R
2	Applicable License Fees	12	R	R
3	Data Communication Cost	12	R	R
4	Supervending Bank Credit Card Fees	12	R	R
5	Supervending Commission: 3 rd party vending sales	12	R	R
6	Supervending Commission: Bank Cash Deposits	12	R	R
7	Additional Fees (specify below)	12	R	R
7.1	SMS of FBE tokens		R	R
7.2	USSD delivery of FBE tokens		R	R
7.3			R	R
TOTAL MONTHLY AND VARIABLE COST (EXCL VAT) YEAR 2				R

B3 MONTHLY AND VARIABLE COST – YEAR 3

ITEMM	DESCRIPTION	QUANTITY FOR TWELVE MONTHS	UNIT PRICE/PERCENTAGE (EXCL VAT)	TOTAL BID PRICE (EXCL VAT YEAR 3 (12 MONTHS))
1	Management/Hosting Fees	12	R	R
2	Applicable License Fees	12	R	R
3	Data Communication Cost	12	R	R
4	Supervending Bank Credit Card Fees	12	R	R
5	Super vending Commission: 3 rd party vending sales	12	R	R
6	Super vending Commission: Bank Cash Deposits	12	R	R
7	Additional Fees (specify below)	12	R	R

7.1	SMS of FBE tokens		R	R
7.2	USSD delivery of FBE tokens		R	R
7.3				
TOTAL MONTHLY AND VARIABLE COST (EXCL VAT) YEAR 3				R
TOTAL BID PRICE (A+B1+B2+B3) (Excl. VAT) – 3 YEARS				R

C1 OPTIONAL AUDITS AND STS6 TID ROLLOVER KEYCHANGES YEAR 1

ITEMM	DESCRIPTION	QUANTITY PER MONTH FOR TWELVE MONTHS	UNIT PRICE/PERCENTAGE (EXCL VAT)	TOTAL BID PRICE (EXCL VAT YEAR 1 (12 MONTHS)
1	Sweep Audits		R	R
2	Targeted Audits (90-day list)		R	R
3	TID Rollover Key Changes		R	R
TOTAL MONTHLY COST (EXCL VAT) YEAR 3				

C1 OPTIONAL AUDITS AND STS6 TID ROLLOVER KEYCHANGES YEAR 2

ITEMM	DESCRIPTION	QUANTITY PER MONTH FOR TWELVE MONTHS	UNIT PRICE/PERCENTAGE (EXCL VAT)	TOTAL BID PRICE (EXCL VAT YEAR 2 (12 MONTHS)
1	Sweep Audits		R	R
2	Targeted Audits (90-day list)		R	R
3	TID Rollover Key Changes		R	R
TOTAL MONTHLY COST (EXCL VAT) YEAR 3				R

C1 OPTIONAL AUDITS AND STS6 TID ROLLOVER KEYCHANGES YEAR 3

ITEMM	DESCRIPTION	QUANTITY PER MONTH FOR TWELVE MONTHS	UNIT PRICE/PERCENTAGE (EXCL VAT)	TOTAL BID PRICE (EXCL VAT YEAR 3 (12 MONTHS)
1	Sweep Audits		R	R
2	Targeted Audits (90-day list)		R	R
3	TID Rollover Key Changes		R	R
TOTAL MONTHLY COST (EXCL VAT) YEAR 3				R

THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT

July 2010

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
- (ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.

- The General Conditions of Contract will form part of all bid documents and may not be amended.
- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

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General Conditions of Contract

1. 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 any thing 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 of the conditions of the contract or order.
 - 1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.
 - 1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies 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 supplies covered by the bid will be manufactured.
- 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such

obligations of the supplier covered under the contract.

- 1.25 “Written” or “in writing” means handwritten 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, 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 are in conflict with these general conditions, the special conditions shall apply.

3. General

- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

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 supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The supplier shall not, without the purchaser’s prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier’s performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier’s records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

- 6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

7. Performance security

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

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 supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 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 supplies 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 supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies 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 supplies may on or after delivery be inspected, tested or

analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies 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 supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies 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 final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
- 9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

- 10.1 Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.
- 10.2 Documents to be submitted by the supplier are specified in SCC.

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 in the SCC.

12. Transportation

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

13. Incidental services

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
 - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
 - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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

14. Spare parts

14.1 As specified in SCC, 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 in SCC.

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 in SCC 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 in SCC, 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 in SCC.
- 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 in SCC.

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 supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.

18. Contract amendments

- 18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

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 this 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 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 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 supplies are required, or the supplier's services are not readily available.

21.5 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 21.2 without the application of penalties.

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without canceling 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;
- (b) if the Supplier fails to perform any other obligation(s) under the contract; or
- (c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

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

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

23.4 If a purchaser intends imposing a restriction on a supplier or any

person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, 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 Accounting Officer / Authority actively associated.

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

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

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

23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for 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 countervailing duties and rights

24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor 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 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5 Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
 - (b) the purchaser shall pay the supplier any monies due the supplier.

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 in SCC.
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 the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
33. National Industrial Participation Programme (NIP)	33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.
34 Prohibition of Restrictive practices	34.1 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 (or bid rigging). 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

- 34.3 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.

Js General Conditions of Contract (revised July 2010)